FACEDRIVE INC.

(formerly High Mountain Capital Corporation)

CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019

(Expressed in Canadian dollars)

Facedrive Inc. (formerly High Mountain Capital Corporation)
Consolidated Financial Statements
December 31, 2020 and 2019
(In Canadian dollars, except where otherwise indicated)

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INDEPENDENT AUDITOR'S REPORT

To the shareholders of
Facedrive Inc. (formerly known as High Mountain Capital Corporation):

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the accompanying consolidated financial statements of **Facedrive Inc.**, "the Corporation" (formerly known as **High Mountain Capital Corporation**), which comprise the consolidated statements of financial position as at **December 31, 2020** and **December 31, 2019**, and the consolidated statements of loss and comprehensive loss, consolidated statements of changes in equity and consolidated statements of cash flows for the years then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of the Corporation as at **December 31, 2020** and **December 31, 2019**, and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards (IFRS).

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Corporation in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Canada, and we have fulfilled our ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

Management is responsible for the other information. The other information comprises:

- Management's Discussion and Analysis, except as described below.

INDEPENDENT AUDITOR'S REPORT

Our opinion on the consolidated financial statements does not cover the other information and we do not and will not express any form of assurance conclusion thereon. In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

We obtained the Management's Discussion and Analysis prior to the date of this auditor's report. If, based on the work we have performed on this other information, we conclude that there is a material misstatement of this other information, we are required to report that fact in this auditor's report. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRS, and for such internal controls as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Corporation's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Corporation or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Corporation's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

INDEPENDENT AUDITOR'S REPORT

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements (Cont'd)

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Corporation's internal controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Corporation's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Corporation to cease to continue as a going concern.

- Evaluate the overall presentation, structure, and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Corporation to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

INDEPENDENT AUDITOR'S REPORT

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

The engagement partner on the audit resulting in this independent auditor’s report is Sadik Najarali.

NVS Professional Corporation

NVS Professional Corporation
Chartered Professional Accountants
Authorized to practice public accounting by
The Chartered Professional Accountants

Markham, Ontario
April 30, 2021

Facedrive Inc. **(formerly High Mountain Capital Corporation)**

Consolidated Statements of Financial Position

(In Canadian dollars, except where otherwise indicated)

As at December 31,	Note		2020		2019
ASSETS					
Current assets					
Cash and cash equivalents	18	$	3,915,788	$	3,790,894
Trade and other receivables	19		1,809,433		428,086
Prepaid expenses and deposits	20		369,741		134,363
Inventory	21		118,345		-
			6,213,307		4,353,343
Deposits	20		1,042,503		-
Interest receivable	24		47,152		7,686
Promissory note receivable	24		1,273,200		1,298,800
Equipment	25		20,522		-
Right-of-use asset	34		7,937,988		182,192
Long-term investment	9		3,487,451		-
Intangible assets	22		6,640,994		-
Goodwill	23		1,238,544		-
Total assets		$	27,901,661	$	5,842,021
LIABILITIES					
Current liabilities					
Accounts payable and accrued liabilities	26	$	3,597,078	$	746,893
Customer deposits			227,086		-
Deferred income			87,511		150,000
Due to a related party	31		334,028		-
Lease liability - current	34		967,367		53,947
			5,213,070		950,840
Loans	27		80,332		-
Lease liability	34		7,311,591		138,010
Due to related parties	31		-		334,028
Total liabilities			12,604,993		1,422,878
SHAREHOLDERS' EQUITY (DEFICIT)					
Capital stock	29		40,916,526		13,843,970
Contributed surplus			2,176,016		539,169
Accumulated other comprehensive loss			(75,835)		-
Deficit			(27,720,039)		(9,963,996)
Total shareholders' equity (deficit)			15,296,668		4,419,143
Total liabilities and shareholders' equity		$	27,901,661	$	5,842,021

Commitments, contingencies and guarantees Note 33
Subsequent events Note 38
Approved by:
(signed) "Junaid Razvi" Director *(signed) "Sayanthan Navaratnam"* Director

The accompanying notes are an integral part of these consolidated financial statements.

Facedrive Inc. (formerly High Mountain Capital Corporation)
Consolidated Statements of Loss and Comprehensive Loss
(In Canadian dollars, except where otherwise indicated)

For the years ended December 31,	Note		2020		2019
REVENUE	12	$	3,934,354	$	599,104
COSTS AND OPERATING EXPENSES					
Cost of revenue	13		3,228,263		270,562
General and administration	14		3,605,182		848,809
Operational support	15		3,764,360		1,542,753
Research and development	16		1,444,153		917,177
Sales and marketing	17		8,933,587		1,559,969
Amortization	22		1,010,239		-
Depreciation	25, 34		76,130		16,563
Total operating expenses			22,061,914		5,155,833
OPERATING LOSS			(18,127,560)		(4,556,729)
OTHER INCOME (EXPENSES)					
Government and other grants	35		1,127,130		-
Foreign exchange loss			(217,610)		(15,327)
Interest expenses			(252,680)		(4,421)
Interest income			41,663		10,172
Listing expenses			-		(2,376,052)
Gain on lease terminations			23,014		-
Impairment of intangible assets	22		(350,000)		-
NET LOSS		$	(17,756,043)	$	(6,942,357)
Cumulative translation adjustment			(75,835)		-
NET LOSS AND COMPREHENSIVE LOSS			(17,831,878)	$	(6,942,357)
Loss per share – basic and diluted		$	(0.19)	$	(0.08)
Weighted average shares outstanding – basic and diluted			91,952,197		82,227,082

The accompanying notes are an integral part of these consolidated financial statements.

Facedrive Inc. **(formerly High Mountain Capital Corporation)**

Consolidated Statements of Changes in Equity

(In Canadian dollars, except where otherwise indicated)

	Note	Number of common shares	Share capital	Contributed surplus	Deficit	Accumulated other comprehensive losses	Total shareholders' equity (deficit)
Balance, December 31, 2018		**66,034,871**	**$ 1,998,802**	**$ -**	**$ (3,021,639)**	**$ -**	**$ (1,022,837)**
Issuance of share capital	29	24,592,470	10,070,006	-	-	-	10,070,006
Repurchase of share capital	29	(1,420,614)	(281,827)	-	-	-	(281,827)
Cancellation of share capital	29	(340,947)	-	-	-	-	-
Reverse takeover acquisition	6, 29	1,298,750	2,056,989	-	-	-	2,056,989
Share-based payments	30	-	-	539,169	-	-	539,169
Net loss and comprehensive loss		-	-	-	(6,942,357)	-	(6,942,357)
Balance, December 31, 2019		**90,164,530**	**$ 13,843,970**	**$ 539,169**	**$ (9,963,996)**	**$ -**	**$ 4,419,143**
Issuance of share capital	29	1,609,240	13,617,799	-	-	-	13,617,799
Share issuance costs	29	-	(288,430)	-	-	-	(288,430)
Acquisition of HiRide	7,29	265,957	739,360	-	-	-	739,360
Investment in Tally	9,29	151,457	2,326,425	-	-	-	2,326,425
Acquisition of Steer	10,29	222,819	2,196,173	-	-	-	2,196,173
Acquisition of Food Hwy (a)	11,29	515,370	3,538,575	-	-	-	3,538,575
Share-based payments	29,30	800,607	4,942,654	1,636,847	-	-	6,579,501
Net loss and comprehensive loss		-	-	-	(17,756,043)	(75,835)	(17,831,878)
Balance, December 31, 2020		**93,729,980**	**$ 40,916,526**	**$ 2,176,016**	**$ (27,720,039)**	**$ (75,835)**	**15,296,668**

(a) Subsequent to the year ended December 31, 2020, the Company cancelled 28,228 common shares as a result of the Adjustment to the purchase price (see Note 11). The fair value of share capital issued reflects the adjusted purchase price.

The accompanying notes are an integral part of these consolidated financial statements.

Facedrive Inc. (formerly High Mountain Capital Corporation)
Consolidated Statements of Cash Flows
(In Canadian dollars, except where otherwise indicated)

For the years ended December 31,		2020		2019
Cash provided by (used in)				
OPERATING ACTIVITIES				
Net loss	$	(17,756,043)	$	(6,942,357)
Items not affecting cash:				
Depreciation and amortization		1,728,306		16,563
Share-based payments		6,579,501		489,755
General and administration		25,000		-
Unrealized foreign exchange loss		207,371		15,327
Gain on lease terminations		(41,617)		-
Listing expenses		-		1,853,200
Interest expenses		(19,668)		-
Government and other grants		(40,000)		-
Impairment of intangible assets		350,000		-
Net change in non-cash working capital items:				
Trade and other receivables		(499,304)		(297,464)
Prepaid expenses and deposits		(235,847)		(69,363)
Interest receivable		(41,663)		(7,686)
Deposits		(1,050,591)		-
Inventory		(117,697)		-
Accounts payable and accrued liabilities		1,379,960		640,072
Deferred income		(58,372)		150,000
Cash used in operating activities		(9,590,664)		(4,151,953)
INVESTING ACTIVITIES				
Acquisition of HiRide		(51,549)		-
Cash acquired from HiRide Acquisition		40		-
Purchase of property, plant and equipment		(23,322)		-
Purchase of intangible assets		(561,660)		-
Cash acquired in reverse takeover		-		253,053
Investment in Tally		(1,340,600)		-
Investment in Food Hwy		(1,500,000)		-
Cash acquired from Food Hwy Acquisition		144,425		-
Investment in promissory note		-		(1,314,000)
Cash used in investing activities		(3,332,666)		(1,060,947)
FINANCING ACTIVITIES				
Issuance of common shares		13,617,799		9,320,006
Share issuance costs		(288,430)		-
Repurchase of common shares		-		(281,827)
Principal payment of lease liabilities		(333,592)		(6,799)
Proceeds from loans		60,000		-
Repayments to related parties		-		(36,600)
Cash provided by financing activities		13,055,777		8,994,780

Impact of currency translation adjustment on cash		(7,553)		-
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS		**124,894**		**3,781,880**
Cash and cash equivalents, beginning of year		3,790,894		9,014
Cash and cash equivalents, end of year	$	**3,915,788**	**$**	**3,790,894**

The accompanying notes are an integral part of these consolidated financial statements.

1. CORPORATE INFORMATION

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

Facedrive is a multi-faceted "people-and-planet first" tech ecosystem offering socially-responsible services to local communities with a strong commitment to doing business fairly, equitably and sustainably. As part of this commitment, Facedrive's vision is to fulfil its mandate through a number of services and offerings that either leverage existing technologies of the Company or have synergies with existing lines of business. These services and offerings include: an eco-friendly rideshare business ("**Facedrive Rideshare**"); a food-delivery business ("**Facedrive Foods**"); a contact-tracing and health services business ("**Facedrive Health"**); an e-commerce business ("**Facedrive Marketplace**"); and a social media platform ("**Facedrive Social**").

Facedrive Rideshare was among the first to offer a wide variety of environmentally and socially responsible solutions in the Transportation as a Service (TaaS) sector, the Company offers its customers the opportunity to mitigate the carbon footprint of their ride with carbon offsets. Facedrive Foods is a food delivery platform that connects residents, restaurants (local, ethnic restaurants in particular) and driver partners. Facedrive Foods was established following the acquisition on July 9, 2020, of certain assets (the "**Foodora Assets**") of Foodora Canada Inc. and on October 1, 2020, the Company completed the acquisition (the "**Food Hwy Acquisition**") of Food Hwy Canada Inc. ("**Food Hwy**"), a food delivery service, gaining a highly skilled food delivery team and gaining a fully functional food delivery platform. Facedrive Health develops connected health technology solutions to help solve some of the pressing healthcare issues that communities face, including providing individuals with the ability to monitor and comply with pandemic-related safety protocols. Facedrive Health's first product, TraceSCAN, is an artificial-intelligence ("**AI**") enhanced wearable contact tracing solution that has been developed by the Company in partnership with the University of Waterloo. TraceSCAN tracks exposure to COVID-19 without the need for GPS information. Facedrive Marketplace is an online store offering products for the socially-conscious consumer. The product offerings on the online marketplace are eco-friendly and/or sustainably manufactured and many of the products offered for sale are linked to support social causes. Facedrive Social strives to keep people connected in a physically-distanced world through its HiQ Social App, which is an e-socialization platform that allows users to interact with each other based on common interests and by offering gamification and mutual community support features.

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

On May 17, 2019, the Company, 2696170 Ontario Inc. ("**Subco**"), a wholly-owned subsidiary of the Company, and Facedrive Inc. (the "**Private Company**"), a private company, entered into an amalgamation agreement (the "**Amalgamation Agreement**") pursuant to which, among other things, the Private Company amalgamated with Subco to form 5021780 Ontario Inc., a wholly-owned subsidiary of the Company, and each shareholder of the Private Company received

0.473538 common shares of the Company (with each common share of the Company constituting, a "**Share**") for every one share of the Private Company held (the "**RTO**"). Immediately prior to the RTO, the Company effected a consolidation of the Shares on a 50-to-1 basis. In connection with the RTO, the Company changed its name from "High Mountain Capital Corporation" to "Facedrive Inc.". The RTO was completed on September 16, 2019 and the Shares resumed trading on the TSX-V under the trading symbol "FD" on September 19, 2019. The RTO resulted in the issuance of 8,886,578 Shares and constituted a "reverse take-over" of the Company as the former Private Company shareholders acquired a majority of the outstanding Shares. All Share numbers in this paragraph are presented on a pre-Forward Split (as defined below) basis.

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

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

Facedrive's COVID-19 Internal Response

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

Since the beginning of the pandemic, the government of Ontario, the primary jurisdiction the Company has operations, has imposed lockdowns at certain periods in order to curb infection rates, the latest of which was announced on April 7, 2021. The duration and impact of this lockdown, or if this most recent lockdown will be the last lockdown, is not known at this time.

These lockdowns have impacted the demand for the Company's ride sharing business as non-essential travel has been reduced. The Company has responded to the COVID-19 pandemic by launching new, or expanding existing, services, features, or health and safety requirements on an expedited basis, particularly those relating to the delivery of food.

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

2. BASIS OF PRESENTATION

(a) Statement of Compliance

These 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**”), and using the accounting policies described herein.

These consolidated financial statements were authorized for issue by the board of directors of the Company (the “**Board of Directors**”) on April 30, 2021.

(b) Basis of Presentation

These consolidated financial statements have been prepared using the historical cost basis, except for certain financial instruments that were measured and recorded at fair value. These consolidated financial statements have been prepared using the accrual basis of accounting, except for cash flow information.

These consolidated financial statements are presented in Canadian dollars, the Company’s functional and reporting currency. All amounts stated in these consolidated financial statements expressed in Canadian dollars, except where otherwise indicated.

(c) Basis of Consolidation

These consolidated financial statements include the accounts of the Company and the other entities that the Company controls in accordance with IFRS 10 – Consolidated Financial Statements. The wholly-owned subsidiaries of the Company, HiRide Share Ltd. (“**HiRide**”), Facedrive Food Inc., Facedrive Health Inc., Steer Holdings, LLC. (“**Steer Holdings**”), Facedrive USA LLC (“**Facedrive USA**”) and Food Hwy Canada Inc. are entities controlled by the Company. Facedrive Food Inc. was incorporated on June 26, 2020, Facedrive Health Inc. was incorporated on July 3, 2020, Steer Holdings was incorporated on August 13, 2020 and Facedrive USA LLC was incorporated on October 1, 2020. Control exists when the Company has power over an entity, when the Company is exposed, or has rights, to variable returns from the entity and when the Company has the ability to affect those returns through its power over the entity. The Company’s subsidiaries are included in the consolidated financial results of the Company from the effective date of acquisition up to the effective date of disposition or loss of control of such entity. Where necessary, adjustments are made to the financial statements of subsidiaries to align their accounting policies with those used by the Company. All intercompany balances, transactions, income and expenses have been eliminated on consolidation.

(d) Foreign Currency Translation

The functional currency of each entity is determined using the currency of the primary economic environment in which that entity operates.

The Company’s consolidated financial statements are presented in Canadian dollars.

The functional currency for each entity is as follows:

SUBSIDIARIES	FUNCTIONAL CURRENCY
Facedrive Food Inc.	Canadian Dollar
Facedrive Health Inc.	Canadian Dollar
Food Hwy Canada Inc.	Canadian Dollar
Facedrive USA LLC.	US Dollar
HiRide Share Ltd.	Canadian Dollar
Steer Holdings, LLC	US Dollar

Foreign currency transactions and balances

Foreign currency transactions are translated into the functional currency of the Company, using the exchange rates prevailing at the dates of the transactions (spot exchange rate). Foreign exchange gains and losses resulting from the settlement of such transactions and from the remeasurement of monetary items denominated in foreign currency at year end exchange rates are recognized in the consolidated statement of loss and comprehensive loss.

Non-monetary items are not retranslated at year end and are measured at historical cost (translated using the exchange rates at the transaction date), except for non-monetary items measured at fair value which are translated using the exchange rates at the date when fair value was determined.

Foreign operations

In the Company's consolidated financial statements, all assets, liabilities and transactions of subsidiaries with a functional currency other than the Canadian Dollar are translated to Canadian Dollars upon consolidation. On consolidation, assets and liabilities have been translated into Canadian Dollars at the closing rate at the reporting date and income and expenses are translated at average exchange rates prevailing during the period.

On disposal of a foreign operation, the related cumulative translation difference recognized in equity are reclassified to profit or loss and are recognized as part of the gain or loss on disposal.

(e) Reclassification

Certain prior year amounts have been reclassified for consistency with the current period presentation. These reclassifications had no effect on the reported results of operations or cash flow.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) Cash and cash equivalents

Cash and cash equivalents in the consolidated statements of financial position comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less.

(b) Revenue recognition

The Company has the following revenue streams:

Rideshare Platform

The Company's rideshare platform connects riders to drivers who provide personal transportation services to passengers using a variety of vehicles. The Company recognizes revenue from service fees based on the five-step model outlined in IFRS 15 – Revenue from Contracts with Customers. Under the Company's Terms of Service ("**TOS**"), drivers acknowledge and agree that the Company will retain a service fee on each transaction (or ride) whereby the driver connects to the passenger using the Company's rideshare platform. The Company recognizes each ride as a single performance obligation and revenue is recognized on completion of each ride. The Company collects fares and related charges from passengers on behalf of drivers using the passenger's pre-authorized credit card. The Company then deducts its service fee and delivers the balance of the fare to the driver. While the Company facilitates setting the price for services, the drivers, and end-users have the discretion of accepting the transaction price through the platforms. Accordingly, the Company has concluded that it is not primarily responsible for the services, as it does not contract drivers to provide services on the Company's behalf and does not control the services being provided to the end-user. Consequently, the Company acts as an agent by facilitating the ability of a driver to provide services to the end-suer. As a result, the Company reports ridesharing revenue on a net basis, reflecting the fee owed to the Company from the drivers as revenue.

Merchandise Sales
The Company provides a platform for users to purchase merchandise produced principally of sustainably sourced materials from various partners. Merchandise revenue is recognized at the point in time when goods are shipped. Merchandise revenue excludes sales tax and is recorded net of discounts and an allowance for estimated returns unless the terms of the sale are final. Merchandise given away for promotional purposes is recorded as a marketing expense.

Licensing
Revenue from licensing arrangements, which allows licensees to use the Company's name, trademark, logo and other intellectual property for a period of time, is considered a "right-to-access" license and is recognized ratably over the term of the licensing arrangement. Amounts collected in excess of revenue recognized under these licensing arrangements are recorded as deferred income.

Food Delivery
The Company derives its food delivery revenue primarily from service fees paid by end-users and restaurants for use of its food delivery platform and related service to successfully complete a meal delivery service via the platform. The Company recognizes revenue, based on service fees collectible, when a transaction is complete. The Company typically receives the service fee within one week following the completion of a delivery. The Company charges a direct fee to end-users for delivery to use the platform for delivery services and separately subcontracts with drivers to provide delivery services to end-users. The Company enters into Master Services Agreements with restaurants that plan to use the platform and charges a commission to the restaurants. The Company does not pre-purchase the goods from the restaurants prior to its transfer to the end user and does not have inventory risk related to this service. The Company has determined that restaurants and end-users are the customers and revenue from these contracts shall be recognized separately for each. The Company has concluded that it controls and is primarily responsible for the delivery services, but does not control the service provided by the restaurants. Accordingly, the Company recognizes delivery revenue on gross basis, and restaurant commissions on a net basis.

The Company previously recognized delivery revenue on a net basis when the food delivery business was introduced in the third quarter of 2020. In the fourth quarter of 2020, the Company changed their accounting policy to recognize delivery services on a gross basis as it was determined that the Company is the principal and primarily responsible for the service since they charge the end user and separately subcontract with Drivers to provide delivery services. The change in accounting policy did not have a material impact on the consolidated financial statements.

Vehicle Subscription Service
The Company has a technology-driven monthly vehicle subscription service, called Steer, which provides an alternative to owning, leasing or renting low-emission transportation vehicles. The Company recognizes revenue when obligations under the terms of a contract with the customer are satisfied; generally, this occurs evenly over the term of the contract.

TraceSCAN
TraceSCAN is the Company's proprietary contact tracing solution featuring advanced Bluetooth enabled wearable technology ("**Wearables**") that complements and extends the reach of other available contact tracing solutions, such as Health Canada's "COVID Alert" mobile application. The Company recognizes revenue from the sale of wearables at the point in time when goods are shipped. The Company also provides assistance in setting up the wearables and application and offers on-going managed services in the form of data management and maintenance support, charging an implementation and support fee for each of these services, respectively. The Company recognizes the implementation and service-based revenue at the time the applicable service is provided.

(c) Inventory

Inventory consists of Facedrive Marketplace merchandise, TraceSCAN wearables and Facedrive Foods merchandise. Inventory is valued at the lower of "cost" and "net realizable value" with "cost" being based upon the weighted average method of inventory costing. The realizable value of finished goods is the estimated selling price in the ordinary course of business, less applicable variable selling expenses. The cost of merchandise inventory is based on "landed cost", which includes all costs incurred to bring inventory to the Company's warehouse or office, including product costs, insurance, inbound freight and duty. If the Company determines that the estimated net realizable value of its inventory is less than the carrying value of such inventory, it records a charge to cost of sales.

(d) Equipment

Equipment is recorded at cost and carried net of accumulated depreciation, amortization and accumulated impairment losses. The initial cost of an asset comprises its purchase price or construction cost and any costs directly attributable to bringing the asset to the location and condition necessary for operation. Subsequent expenditures are capitalized only if it is probable that the future economic benefits associated with the expenditures will flow to the Company.

Repairs and maintenance costs are expensed as incurred. Depreciation is provided over the related assets' estimated useful lives using the straight-line method of accounting at the following rates:

Computers	3 years

The Company reviews the estimated useful lives, residual values and depreciation method at the end of each reporting period, accounting for the effect of any changes in estimate on a prospective basis.

(e) Intangible Assets and Goodwill

Intangible Assets

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in an asset acquisition is its fair value as at the date of acquisition. Following initial recognition, intangible assets are carried at cost less accumulated amortization and accumulated impairment losses, if any. The useful lives of intangible assets are assessed as either finite or indefinite.

Intangible assets with finite lives are amortized over their useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortization period and the amortization method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. A change in the expected useful life of the expected pattern of consumption of future economic benefits embodied in the asset is accounted for by changing the amortization period or method, as appropriate, and treated as changes in accounting estimates.

Finite lived intangible assets are amortized on a straight-line basis over the period of their expected future economic benefit using the following rates:

Food Hwy brand name	3 years
Food Hwy customer relationships	8.25 years
Food Hwy courier relationships	1.5 years
Food Hwy developed technology	1.5 years
Food Hwy vendor relationships	9.25 years
Foodora lists	2 years
HiRide brand name	2 years
HiRide platform	2 years
Steer brand name	Indefinite life
Steer customer list	7 years

Infinite lived intangible assets are not amortised and are subject to impairment testing annually. The useful life for each asset is reviewed each reporting period to determine whether events and circumstances continue to support an indefinite useful life assessment for that asset. If they do not, the change in the useful life assessment from indefinite to finite is accounted for as a change in an accounting estimate.

Goodwill

Goodwill is initially measured at cost (being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interests and any previous interest held over the net identifiable assets acquired and liabilities assumed). After initial recognition, goodwill is measured at cost less any accumulated impairment losses. Goodwill is subject to impairment testing on an annual basis.

For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Company's cash-generating units that are expected to benefit from the combination. Where goodwill has been allocated to a cash-generating unit ("CGU") and part of the operation within that unit is disposed of, the goodwill associated with the disposed operation is included in the carrying amount of the operation when determining the gain or loss on disposal. Goodwill disposed in these circumstances is measured based on the relative values of the disposed operation and the portion of the cash-generating unit retained.

(f) Product development costs

Research and product development costs include out-of-pocket costs and direct labour and overhead expenses. Research costs are expensed as incurred. Product development costs are expensed as incurred unless they meet the criteria for deferral and amortization as set forth in International Accounting Standards ("**IAS**") 38 – *Intangible Assets* ("**IAS 38**").

Development activities involve a plan or design for the production of a new core of substantially improved products and processes. Development expenditures are capitalized only if development costs can be measured reliably, the product or process is technically and commercially feasible, future economic benefits are probable, and the Company intends to and has sufficient resources to complete development and to use or sell the asset. The expenditures capitalized includes the cost of materials, direct labour and overhead costs that are directly attributable to preparing the asset for its intended use. All other development expenditures are recognized in the consolidated statements of loss and comprehensive loss as incurred.

Capitalized development costs (intangible asset) with finite useful lives are amortized over their estimated useful lives. The amortization methods and estimated useful lives of intangible assets are reviewed annually. Intangible assets are tested for impairment as required by IAS 38 and IAS 36 – *Impairment of Assets* if there are indicators of impairment. If any such indication exists, the asset's recoverable amount is estimated.

An impairment loss is recognized whenever the carrying amount of the intangible asset or the cash-generating unit exceeds their recoverable amount. Impairment losses are recognized in the consolidated statements of loss and comprehensive loss. Amortization is provided on a straight-line basis over the estimated useful life of the asset.

To date the Company has not capitalized any development costs.

(g) Impairment of non-financial assets

The Company assesses at each reporting date whether there is an indication that an asset or cash generating unit ("CGU") may be impaired. If any indication of impairment exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset or CGU's recoverable amount is the higher of its fair value less costs of disposal and its value in use. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset or CGU is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU. In determining fair value less costs of disposal, an appropriate valuation model is used. The Company has CGUs against which impairment can be tested. The Company had goodwill and indefinite life intangible assets for the year ended December 31, 2020 and had no goodwill and indefinite life intangible assets for the year ended December 31, 2019.

Impairment losses in respect of continuing operations are recognized in the consolidated statements of loss and comprehensive loss in those expense categories consistent with the function and nature of the impaired asset.

For non-financial assets, except for goodwill, an assessment is made at each reporting date as to whether there is any indication that previously-recognized impairment losses may no longer exist or may have decreased. If such indication exists, the Company estimates the non-financial asset's or CGU's recoverable amount.

A previously-recognized impairment loss is reversed only if there has been a change in the assumptions used to determine the non-financial asset's recoverable amount since the last impairment loss was recognized. Any such reversal is limited so that the carrying amount of the non-financial asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognized for the non-financial asset in prior periods. Such reversal is recognized in the consolidated statements of loss and comprehensive loss.

(h) Financial instruments

Recognition, classification and measurement

Financial assets are classified and measured based on the business model for managing the financial assets and the contractual cash flow characteristics of the financial assets. IFRS 9 – *Financial Instruments* contains three primary measurement categories for financial assets: amortized cost; fair value through other comprehensive income; and fair value through profit and loss ("**FVTPL**"). Financial assets are recognized in the consolidated statements of financial position if the Company has a contractual right to receive cash or other financial assets from another entity. Financial assets are derecognized when the rights to receive cash flows from the asset have expired or have been transferred and the Company has transferred substantially all risks and rewards of ownership.

All financial liabilities are recognized initially on the trade date at which the Company becomes a party to the contractual provisions of the instruments. The Company derecognizes a financial liability when its contractual obligations are discharged, cancelled or expired.

Financial instruments are not reclassified subsequent to their initial recognition unless the Company changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

The Company has classified its trade and other receivables, promissory note receivable, interest receivable, accounts payable and accrued liabilities, loans, amounts due to related parties and lease liability as financial assets and financial liabilities measured at amortized cost. Such assets and liabilities are recognized initially at fair value inclusive of any directly attributable transaction costs and subsequently carried at amortized cost using the effective interest method, less any impairment losses. Cash and cash equivalents, the investment in Tally (see Note 9), and the promissory note receivable (see Note 24) are classified as FVTPL.

Financial assets and financial liabilities are offset, and the net amount presented in the consolidated statements of financial position when, and only when, the Company has a legal right to offset the amounts and intends either to settle on a net basis or to realize the asset and settle the liability simultaneously.

Derivatives are carried at fair value and are reported as assets when they have a positive fair value and as liabilities when they have a negative fair value. Changes in the fair values of derivative financial instruments are reported in profit or loss. The Company does not have any derivatives for the years presented.

Impairment of financial assets

The Company recognizes loss allowances for expected credit losses on financial assets measured at amortized cost. Loss allowances for accounts receivable are always measured at an amount equal to lifetime expected credit losses if the amount is not considered fully recoverable. A financial asset carried at amortized cost is considered credit-impaired if objective evidence indicates that one or more events have had a negative effect on the estimated future cash flows of that asset that can be estimated reliably. Individually significant financial assets are tested for credit-impairment on an individual basis. The remaining financial assets are assessed collectively.

An impairment loss in respect of a financial asset measured at amortized cost is calculated as the difference between the asset's carrying amount and the present value of the estimated future cash flows attributable to that asset, discounted at the asset's original effective interest rate.

In assessing collective impairment, the Company uses historical trends of the probability of default, timing of recoveries and the amount of loss incurred, adjusted for management's judgment as to whether current economic and credit conditions are such that the actual losses are likely to be greater or less than suggested by historical trends. Losses are recognized in profit or loss and reflected in an allowance account against receivables. When a subsequent event causes the amount of the impairment loss to decrease, the decrease in impairment loss is reversed.

(i) Share-based payments

Equity-settled share-based payments made to employees are measured at the fair value of the instruments at the grant date and recognized in expense over the applicable vesting periods. Equity-settled share-based payments made to non-employees are measured at the fair value of goods or services received or the fair value of the equity instruments issued if it is determined that the fair value of the goods or services received cannot be reliably measured. Non-employee share-based payments are recognized in expense at the date the goods or services are received. The corresponding amount is recorded to reserves. Upon the exercise of stock options at the applicable exercise price, the consideration received by the Company on the exercise is recorded in share capital.

The fair value of options and warrants are determined using the Black-Scholes Option Pricing Model on the date of the grant, based on certain assumptions further discussed in Note 4.

(j) Loss per share

Basic loss per Share is calculated by dividing the Company's net loss by the weighted average number of Shares outstanding and reduced by any Shares held in escrow during the reporting period. Diluted loss per Share is calculated by dividing the Company's net loss by the sum of the weighted average number of Shares issued and outstanding assuming all additional Shares that would have been outstanding if potentially dilutive instruments were converted, and reduced by any Shares held in escrow.

(k) Income taxes

Current tax expense is based on the results for the year as adjusted for items that are not taxable or not deductible, as the case may be. Current tax is calculated using tax rates and laws that were enacted or substantively enacted as at the end of the reporting period, adjusted for amendments, if any, to tax payable from previous years. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. Provisions are established, where appropriate, on the basis of amounts expected to be paid to tax authorities.

Deferred tax is calculated based on all temporary differences at the consolidated statements of financial position date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are generally recognized for all taxable temporary differences. Deferred tax assets are generally recognized for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilized. Such deferred tax assets and liabilities are not recognized if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized. Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realized or the liability is settled, as applicable, based on the tax rates that have been enacted or substantively enacted at the reporting date.

(l) Treasury shares

The Company's equity instruments which are reacquired (treasury shares) are recognized at cost, cancelled and then deducted from equity. No gain or loss is recognized in the consolidated statements of loss and comprehensive loss on the purchase, sale, issue, or cancellation of the Company's own equity instruments. Any difference between the carrying amount and the consideration is recognized in capital reserves.

(m) Provisions

Provisions are recognized when the Company has a present obligation, legal or constructive, as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. Where the Company expects some or all of a provision to be reimbursed, for example under an insurance contract, the reimbursement is recognized as a separate asset but only when the reimbursement is virtually certain.

The expense relating to any provision is presented in the consolidated statements of loss and comprehensive loss, net of any reimbursement. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, where appropriate, the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost.

A provision for onerous contracts is recognized when the expected benefits to be derived by the Company from a contract are lower than the unavoidable cost of meeting its obligation under the contract. The provision is measured at the present value of the lower of the expected cost of terminating the contract and the expected net cost of continuing with the contract. Before a provision is established, the Company recognizes any impairment loss on the asset associated with the contract.

(n) Government Grants

Government grants are recognized when there is reasonable assurance that the grant will be received and that the Company will comply with the conditions attached to them.

Loans received from government grants are recognized initially at fair value, with the difference between the fair value of the loan based on prevailing market interest rates and the amount received recorded as a government grant gain in the consolidated statements of loss and comprehensive loss.

(o) Leases

At inception, the Company assesses whether a contract contains an embedded lease. A contract contains a lease when the contract conveys a right to control the use of an identified asset for a period of time in exchange for consideration.

The Company, as lessee, is required to recognize a right-of-use asset ("**ROU asset**"), representing its right to use the underlying asset, and a lease liability, representing its obligation to make lease payments.

The Company recognizes a ROU asset and a lease liability at the commencement of the lease. The ROU asset is initially measured based on the present value of lease payments, plus initial direct cost, less any incentives received. It is subsequently measured at cost less accumulated depreciation, impairment losses and adjusted for certain remeasurements of the lease liability. The ROU asset is depreciated from the commencement date over the shorter of the lease term or the useful life of the underlying as set. The ROU asset is subject to testing for impairment if there is an indicator of impairment.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by the interest rate implicit in the lease, or if that rate cannot be readily determined, the incremental borrowing rate. The incremental borrowing rate is the rate which the operation would have to pay to borrow over a similar term and with similar security, the funds necessary to obtain an asset of similar value to the ROU asset in a similar economic environment.

Lease payments included in the measurement of the lease liability are comprised of:

- fixed payments, including in-substance fixed payments;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable under a residual value guarantee;
- the exercise price under a purchase option that the Company is reasonably certain to exercise;
- lease payments in an optional renewal period if the Company is reasonably certain to exercise an extension option; and
- penalties for early termination of a lease unless the Company is reasonably certain not to terminate early.

The lease liability is subsequently increased by the interest cost on the lease liability and decreased by lease payments made. It is remeasured when there is a change in future lease payments arising from a change in an index or a rate, a change in the estimate of the amount expected to be payable under a residual value guarantee, or as appropriate, changes in the assessment of whether a purchase or extension option is reasonably certain to be exercised or a termination option is reasonably certain not to be exercised.

Variable lease payments that do not depend on an index or a rate not included in the initial measurement of the ROU asset and lease liability are recognized as an expense in the statements of operations and comprehensive loss in the period in which they are incurred.

The ROU assets are presented within “Right-of-use asset” and the lease liabilities are presented in “Lease liability” on the statements of financial position.

The Company has elected not to recognize right-of-use assets and lease liabilities for short-term leases that have a remaining lease term of 12 months or less and leases of low-value assets.

4. SIGNIFICANT ACCOUNTING JUDGMENTS, ESTIMATES, AND ASSUMPTIONS

The preparation of the Company’s consolidated financial statements in conformity with IFRS requires management to make certain judgments, estimates, and assumptions that affect the reported amounts of revenues, expenses, assets, and liabilities, and the disclosure of contingent liabilities, at the end of the reporting years. However, uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in future years.

(a) Estimates

Useful life of intangible assets

Intangible assets with finite lives are amortized on a straight-line basis over their expected useful life once the asset is available for use. Many factors are considered in determining the useful life of an intangible asset, including technical, technological, commercial or other types of obsolescence and typical product life cycles for the asset. Changes to the expected useful life of an asset is accounted for prospectively.

Leases - Estimating the incremental borrowing rate

The Company cannot readily determine the interest rate implicit in leases where it is the lessee. As such, it uses its Incremental Borrowing Rate ("**IBR**") to measure lease liabilities. The IBR is the rate of interest that the Company would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of comparable value to the right-of-use asset in a similar economic environment. IBR therefore reflects what the Company "would have to pay", which requires estimation when no observable rates are available or where the applicable rates need to be adjusted to reflect the terms and conditions of the lease. The Company estimates the IBR using observable inputs (such as market interest rates) when available and is required to make certain entity-specific estimates.

Fair value adjustments for business combinations

In accordance with IFRS 3, 'Business Combinations', the Company remeasures the assets, liabilities and contingent liabilities acquired through a business combination relative to fair value. Similarly, consideration given, including shares issued, is also measured at fair value. Where possible, fair value adjustments are based on external appraisals or valuation models (e.g. where intangible assets were not recognized by an acquiree). These valuation methods rely on various assumptions such as estimated future cash flows, remaining useful economic life etc.

Share-based payments

In estimating the fair value of stock options using the Black-Scholes option pricing model, management is required to make certain assumptions and estimates such as the expected life of options, volatility of the Company's future share price, risk-free rate, future dividend yields and estimated forfeitures at the initial grant date. Changes in assumptions used could result in materially different results.

Recoverability of receivables

Provisions are made against accounts that, in management's estimation, may be uncollectible. The recoverability assessment of trade and other receivables is based on a range of factors, including the age of the receivable and the creditworthiness of the customer. Determining the recoverability of an account involves estimation as to the likely financial condition of the customer and their ability to subsequently make payments. To the extent that future events impact the financial condition of the customers, these provisions could vary significantly and affect future results of operations.

(b) Judgments

Business combinations

From time to time, the Company acquires subsidiaries. At the time of acquisition, the Company considers whether each acquisition represents the acquisition of a business or the acquisition of an asset. The Company accounts for an acquisition as a business combination where an integrated set of activities and assets, is acquired. More specifically, consideration is given to the extent to which significant processes are acquired.

When the acquisition of subsidiaries does not represent a business combination, it is accounted for as an acquisition of a group of assets and liabilities. The cost of the acquisition is allocated to the assets and liabilities acquired based upon their relative fair values, and no goodwill or deferred tax is recognised.

Investments in associated businesses

From time to time, the Company makes investments in other entities. At the time of investment, the Company considers whether there is significant influence over the investee. Where there is significant influence, the Company accounts for the investment using the equity method. In construing "significant influence", consideration is given to the extent to which the Company has representation on the board of directors (or equivalent governing body) of the investee, participation in the policy-making process, material transactions between the Company and the investee, interchange of managerial personnel and the provision of essential technical information among other factors.

When there is no significant influence, the investment is classified as a financial asset at fair value through profit and loss.

Treatment of development costs

Costs to develop products are capitalized to the extent that the criteria are met for recognition as intangible assets in accordance with IAS 38. Such criteria require that the product is technically and economically feasible, the Company has the intention and ability to use the asset, and that the asset will generate future benefits to the Company. Management assessed the capitalization of development costs based on the attributes of each development project, perceived user needs, industry trends and expected future economic conditions. Management considers these factors in aggregate and applies significant judgment to determine whether the product is technically and economically feasible. The Company did not capitalize any development costs as at December 31, 2020 and 2019.

Going concern

The assessment of the Company's ability to continue as a going concern and to raise sufficient funds to pay its ongoing operating expenditures and to meet its liabilities for the ensuing year involves significant judgment based on historical experience and other factors, including expectation of future events that are believed to be reasonable under the circumstances.

5. NEW ACCOUNTING PRONOUNCEMENTS

(a) Accounting Standards Adopted Effective January 1, 2020

Definition of a Business (Amendments to IFRS 3)

In October 2018, the IASB issued "Definition of a Business (Amendments to IFRS 3)". The amendments clarify the definition of a business with the objective of assisting entities to determine whether a transaction should be accounted for as a business combination or as an asset acquisition. The amendments also permit a simplified assessment to determine whether an acquired set of activities and assets can be recognized as an asset acquisition, as opposed to a business combination. The amendments are effective for annual reporting periods beginning on or after January 1, 2020 and applied prospectively.

(In Canadian dollars, except where otherwise indicated)

(b) Standards Issued But Not Yet Effective

The Company has reviewed new and revised accounting pronouncements that have been issued but are not yet effective. The Company has not early adopted any new standards and determined that there are no standards that are relevant to the Company.

6. REVERSE TAKE-OVER TRANSACTION

On September 16, 2019 the Company completed the RTO, which resulted in the issuance of 8,886,578 Shares and constituted a reverse-takeover of the Company as the former Private Company shareholders acquired a majority of the outstanding Shares. All Share numbers in this paragraph are presented on a pre-Forward Split basis.

For accounting purposes, the acquiring company is the Private Company and the Company is considered the acquired company. Since the Company's operations do not constitute a business, the acquisition of the Company is not considered a business combination pursuant to IFRS 3 – *Business Combinations*. The RTO is treated as a reverse-takeover of the Company by the Private Company and accounted for under IFRS 2 – *Share-based Payment*. Accordingly, the acquisition of the Company is accounted for at the fair value of the equity instrument of the Company granted to shareholders of the Company along with directly attributable transaction costs. The difference between the net assets acquired and the fair value of the consideration granted is treated as a listing expense. The RTO was accounted for as a continuation of the business and operations of the Private Company.

The following summarizes the RTO and the assets and liabilities assumed:

Consideration:		
Fair value of High Mountain shares issued (1,298,750 common shares at $1.584 per share)	$	2,056,989
Fair value of share purchase options and warrants		49,414
Transaction expenses		522,852
Total consideration		2,629,255
Fair value of net assets of High Mountain:		
Cash and cash equivalents		253,053
Prepaid expenses		4,266
Accounts payable and accrued liabilities		(4,116)
Total net assets		253,203
Listing expense	$	2,376,052

7. ACQUISITION OF HIRIDE SHARE LTD.

On March 20, 2020, the Company announced that it had entered into a share exchange agreement (the "**HiRide Acquisition Agreement**") to acquire all of the issued and outstanding common shares of HiRide, a socially responsible ride-sharing and car-pooling business (the "**HiRide Acquisition**"). The HiRide Acquisition closed following the close of business on March 31, 2020.

In consideration for the HiRide Acquisition, shareholders of HiRide received an aggregate of $1,000,000 on closing, payable in Shares at a price per Share equal to $3.76 (calculated as the 30-day volume weighted average trading price of the Shares on the TSX-V ending four trading days prior to the date of entering into the HiRide Acquisition Agreement). In connection with the HiRide Acquisition, the shareholders of HiRide may be entitled to receive future conditional payments of up to $2,500,000 (the "**Conditional Payments**") over the course of 2 years following closing of the HiRide Acquisition, which payments are contingent upon the achievement of the milestones below.

i) The first Conditional Payment of up to $1,000,000
   - Up to $700,000 payment to be made upon the following conditions being met:
     - Revenues for the first year of operations (the "**First Year Revenue**") is greater than 80% of $312,049;
     - Expenses incurred during the first year of operations is less than $612,640; and
     - There are a minimum of 100,000 platform users at the end of the first year.

     Upon the conditions being met, the payment to be made is the lesser of $700,000 and the product obtained by multiplying $700,000 by the quotient obtained by dividing the First Year Revenue by $312,049.

   - Up to $300,000 payment to be made upon meeting at least eight of ten technical milestones mainly related to additional features to improve user safety, increasing the ease of the platform's usability, and adding a social component to the platform.

     Upon the conditions being met, the payment to be made is $300,000 multiplied by the quotient obtained by dividing the number of milestones met by ten.

ii) The second Conditional Payment of up to $1,000,000
   - Up to $700,000 payment to be made upon the following conditions being met:
     - Revenues for the second year (the "**Second Year Revenue**") is greater than 80% of $5,102,716;
     - Expenses incurred during the second year is less than $3,614,600; and
     - There are a minimum of 1,000,000 platform users at the end of the second year.

     Upon the conditions being met, the payment to be made is the lesser of $700,000 and the product obtained by multiplying $700,000 by the quotient obtained by dividing the Second Year Revenue by $5,102,716.

   - Up to $300,000 payment to be made upon meeting at lease eight of ten technical milestones mainly related to additional features to improve user safety, incorporating a loyalty rewards program, improving internal reporting capabilities and improving the in-app social features.

     Upon the conditions being met, the payment to be made is $300,000 multiplied by the quotient obtained by dividing the number of milestones met by ten.

(In Canadian dollars, except where otherwise indicated)

iii) The third Conditional Payment of $500,000 will be paid if the Company secures a binding agreement with the United States Army pursuant to which the United States Army "white-labels" or uses the back-end infrastructure provided to it thereunder for purposes of implementing a ride-sharing or similar program offered by the Company.

The Conditional Payments, if any, will be payable in Shares or a combination of cash and Shares at the Company's discretion.

There were no finder's fees paid in connection with the HiRide Acquisition. All Shares issued were subject to a four-month statutory hold period from the date of issuance, as well as contractual lock-up and escrow restrictions from the date of issuance.

The HiRide Acquisition was determined to be an asset acquisition as substantially all of the fair value of the gross assets acquired is concentrated in a single identifiable asset. For accounting purposes, using the fair value method of accounting, consideration consisted of 265,957 Shares with a fair value of $739,360, representing a grant date fair value of the Shares of $2.78 per Share and $51,549 of acquisition costs. The Conditional Payments were determined to be consideration for post transaction services and will be accounted for as post-transaction compensation costs.

Consideration paid:		
Fair value of Shares issued (265,957 Shares at $2.78 per Share)	$	739,360
Transaction costs		51,549
	$	**790,909**
Net identifiable assets acquired:		
Cash	$	40
Intangible assets - Brand name		70,000
Intangible assets - HiRide platform		761,209
Accounts payable		(20,340)
Shareholders loans		(20,000)
	$	**790,909**

Management has assessed that the terms for the first Conditional Payment would not be met and as such, no amounts have been accrued in these consolidated financial statements as at December 31, 2020.

8. ACQUISITION OF INTANGIBLE ASSETS OF FOODORA CANADA

On July 9, 2020, the Company completed the acquisition of Foodora Canada's customers (that required subsequent consent to be obtained by the Company), along with 5,500 restaurant partners (together the "**Foodora Lists**") previously served by Foodora Canada, in exchange for cash consideration of $500,000 (the "**Foodora Transaction**").

The Foodora Transaction was determined to be an asset acquisition as no substantive processes were transferred to the Company.

In connection with the Foodora Transaction, the Company incurred legal fees of $61,660 which have been capitalized as Transaction Costs.

(In Canadian dollars, except where otherwise indicated)

Consideration paid:		
Cash	$	500,000
Transaction costs		61,660
	$	**561,660**
Net identifiable assets acquired:		
Intangible assets – Foodora Lists		536,660
Other assets		25,000
	$	**561,660**

9. INVESTMENT IN TALLY TECHNOLOGY GROUP INC.

On August 7, 2020, the Company entered and completed a definitive agreement (the "**Tally Agreement**") to partner with and invest in Tally Technology Group Inc. ("**Tally**"), a white-label, free-to-play sports predictions platform (the "**Tally Transaction**").

In return for 727,273 common shares and 2,181,818 preferred shares of Tally (each, the "**Initial Tally Common Shares**" and the "**Initial Tally Preferred Shares**", respectively), the Company paid USD$1,000,000 ($1,340,600) in cash and USD$2,000,000 ($2,326,424) in Shares at a deemed price per Share equal to $17.84 (calculated as the 30-day volume weighted average trading price of the Shares as reported on Bloomberg, ending two trading days prior to the date of entering into the Tally Agreement). The Company issued 151,457 Shares which are subject to a twelve-month lock-up period from the date of issuance (the "**Lock-Up Period**"). The fair value of the Shares was determined to be $15.36 per share, as a result of a discount of 24.1% being factored into the calculation of the fair value of these Shares due to lock-up terms on these Shares.

The Company accounts for its investment in Tally as a long-term investment. Management has assessed that the Company has no control, nor significant influence over Tally as the Company only holds 14% of the voting rights and has no participation in Tally's policy-making processes.

Under the terms of the Tally Agreement, when the Lock-Up Period expires the Company has three possible options: (1) increase its ownership in Tally through a USD$1,000,000 investment (the "**Tally Equity Option**"); (2) provide Tally with a USD$1,000,000 loan (the "**Tally Loan Option**"); or (3) do nothing and forfeit certain securities (the "**Tally Forfeiture Option**"). These scenarios were contemplated to provide both the Company and Tally flexibility upon the one-year anniversary of the Tally Agreement when the Lock-Up Period ends.

The Tally Equity Option available to the Company is to purchase additional Tally Preferred Shares for an aggregate purchase price of USD$1,000,000 (the "**Series Seed-1 Preferred Stock**"). In the event that the Company exercises the Tally Equity Option, the Lock-up Period with respect to all the Shares held by Tally shall be extended for an additional 18 months (the "**Extended Lock-up Period**"), for a total of 30 months from the closing date of the Tally Transaction.

In the event that the Company proceeds with the Tally Loan Option, Tally will use commercially reasonable efforts to sell the Shares within one year from the Tally Loan Option effective date and utilize the proceeds from such Share sales to repay the Tally Loan. In the event that Tally is unable to sell the Shares for an amount equal to or greater than the amount of the Tally Loan Option during the one-year period following the Tally Loan Option effective date, the Company shall forgive Tally's repayment obligation with respect to any portion of the Tally Loan Option that remains outstanding.

(In Canadian dollars, except where otherwise indicated)

If the Company proceeds with the Tally Forfeiture Option (i.e. the Company chooses to *not* exercise either of the Tally Equity Option or the Tally Loan Option), the Company will convert 727,273 of its Initial Tally Preferred Shares into common shares of Tally (the "**Converted Tally Common Shares")** and, together with the Initial Tally Common Shares, will be returned to Tally for cancellation. Upon such cancellation of the Initial Tally Common Shares and the Converted Tally Common Shares, the Company would be left with 1,454,545 Tally Preferred Shares.

As at December 31, 2020, management has assessed that the Company has the resources to proceed with the Tally Equity Option or the Tally Loan Option and has no intention of forfeiting its ownership in Tally.

10. ACQUISITION OF STEER

On September 5, 2020, the Company, through its wholly-owned subsidiary, Steer Holdings, LLC, completed an acquisition of the substantive assets of Steer ("**Steer**"), a division of Exelorate Enterprises, LLC ("**Exelorate**"), a wholly-owned subsidiary of Exelon Corporation (the "**Steer Acquisition**"), which specializes in the electric vehicle subscription businesses (the "**Steer Business**").

In the Steer Acquisition, the Company acquired Steer in exchange for aggregate consideration of USD$3,250,000, which was paid through the issuance of 222,819 Shares, issued at a deemed price of $19.27 per Share (calculated on the 30-day volume weighted average trading price of the Shares as reported on Bloomberg, ending three trading days prior to the date of the Steer Acquisition). The fair value of the Shares issued to Exelorate was determined to be a discounted $15.44 per Share, and includes a discount of 36.2% as the Shares were subject to an 18-month lock-up.

The Steer Acquisition was determined to be a business combination as substantive processes and assets were acquired as part of the transaction. The Company also retained the services of Steer's former employees and its contracted management services provider.

Consideration paid:		
Fair value of Shares issued (222,819 Shares at $15.44 per Share – Issued at $19.27 per Share and discounted by 36.2%)	$	2,196,173
	$	**2,196,173**
Net identifiable assets acquired:		
Intangible assets - Brand name	$	650,000
Vehicle subscription agreements (the "**Steer Customer list**")		649,000
Right-of-use assets		8,423,259
Lease liability		(8,423,259)
Goodwill		897,173
	$	**2,196,173**

The unallocated consideration of $897,173 was recognized as goodwill (Note 23). Goodwill is comprised of the synergies that exist from combining the Company's administration and subscription services model, the processes, and systems to be able to offer a vehicle subscription service, the existing leases and vehicle fleet, and expected revenue growth and margin expansion due to expansion to new markets. These benefits were not recognized separately from goodwill because they do not meet the recognition criteria for identifiable intangible assets.

From the date of acquisition, Steer contributed $738,800 of revenue and $928,800 to net loss of the Company. If the combination had taken place at the beginning of 2020, the Company's revenue would have been $5,263,500 and net loss would have been $20,805,800**.**

Concurrent with the closing of the Steer Acquisition, Exelorate invested in the Company by subscribing for Shares as part of a strategic investment. Exelorate subscribed for an additional 137,119 Shares ("**Strategic Investment Shares**") at $19.27 per Share for gross proceeds of USD $2,000,000 ($2,617,800). No finder's fee was paid in connection with the Strategic Investment. All Strategic Investment Shares are subject to an 18-month lock-up.

11. ACQUISITION OF FOOD HWY

On October 1, 2020, the Company completed the Food Hwy Acquisition with each of the shareholders of Food Hwy a food delivery service. Pursuant to the terms of the Food Hwy Acquisition, the Company acquired all of the outstanding shares of Food Hwy for consideration of $1,500,000 in cash and the issuance of 515,370 Shares, issued at a deemed price of $14.75 per Share (calculated on the 30-day volume weighted average trading price of the Shares as reported on Bloomberg, ending two trading days prior to the date of the Food Hwy Acquisition). The Shares issued are subject to a lock-up agreement which specifies: 33,906 Shares are subject to a 90-day lock-up period, 159,358 Shares are subject to a 12-month lock-up period, and 322,106 Shares are subject to a 18-month lock-up period.

The purchase price is subject to a post-closing adjustment (the "Adjustment"). The parties shall have 90 days after the closing date to determine the amount of the Adjustment, calculated as the delta between Food Hwy's working capital on the closing date and negative $100,000:

- If the Adjustment is between negative $1 and negative $100,000, the Company may cancel such number of the 18-month lock-up Shares equal to the absolute value of the Adjustment divided by the deemed price per share of $14.75 (the "**Closing Price**").
- If the Adjustment is less than negative $100,000, in addition to the above, the Company may cancel such number of the 90 day lock up Shares equal to the absolute value of the Adjustment, less $100,000, and then divided by the Closing Price.
- If the Adjustment is a positive number, the Company shall pay the Food Hwy Shareholders in cash the amount of the Adjustment.

On December 31, 2020, the calculation of the Adjustment was completed and was determined to be negative $516,268. The Company waived $100,000 of the Adjustment and cancelled 28,228 of the 18 Month Lock-Up Shares subsequent to the year ended December 31, 2020.

The post-Adjustment fair value of the Shares issued for the acquisition was estimated to be $3,538,575. The fair value per share was determined to be $13.35 per Share, as a result of a discount between 13.7% to 47.3% being factored into the calculation of the fair value of the Shares due to lock-up terms on these Shares.

(In Canadian dollars, except where otherwise indicated)

The Food Hwy Acquisition was determined to be a business combination as substantive processes and assets were acquired as part of the transaction. The Company has retained most of Food Hwy's key management personnel and has also implemented Food Hwy's operational processes.

Consideration paid:		
Cash	$	1,500,000
Fair value of Shares issued (487,142 Shares at $13.35 per Share)		3,538,575
	$	**5,038,575**
Net identifiable assets acquired:		
Cash	$	144,425
Trade and other receivables		882,508
Inventory		649
Intangible assets – Developed Technology		2,093,000
Intangible assets – Vendor Relationships		1,656,000
Intangible assets – Customer Relationships **(the "Food Hwy Customer List")**		56,000
Intangible assets – Courier Relationships		176,000
Intangible assets – Brand name		1,388,000
Goodwill		365,843
Accounts payable and accrued liabilities		(1,436,500)
Customer deposits		(207,350)
Loans		(80,000)
	$	**5,038,575**

The unallocated consideration of $365,843 was recognized as goodwill (Note 23). Goodwill reflects the synergies that exist from the combination of the Company's marketing, administration and technology ecosystem, the expected revenue growth and margin expansion due to expansion to new markets and the benefits of future market development and growth in the food delivery service industry. These benefits were not recognized separately from goodwill because they do not meet the recognition criteria for identifiable intangible assets.

From the date of acquisition, Food Hwy contributed $2,465,500 of revenue and $1,650,600 to the net loss of the Company. If the combination had taken place at the beginning of 2020, the Company's revenue would have been $6,779,600 and net loss would have been $19,654,500.

(In Canadian dollars, except where otherwise indicated)

12. REVENUE

Revenue consists of:

As at December 31,		**2020**		**2019**
Facedrive Rideshare				
Ridesharing	$	512,049	$	349,104
Vehicle Subscription Service		738,828		-
		1,250,877		349,104
Facedrive Marketplace		8,735		-
Facedrive Foods		2,472,252		-
Facedrive Health		52,490		-
Licence fees		150,000		250,000
	$	**3,934,354**	**$**	**599,104**

13. COST OF REVENUE

Cost of revenue consists of:

As at December 31,		**2020**		**2019**
Automobile costs	$	260,283	$	-
Cost of goods sold		102,946		-
Depreciation		641,938		-
Insurance expenses		386,700		80,135
Payment processing fees		436,282		107,655
Payout to drivers		1,201,942		-
Other cost of revenue		198,172		82,772
	$	**3,228,263**	**$**	**270,562**

14. GENERAL AND ADMINISTRATION

General and administration expense consists of:

As at December 31,		**2020**		**2019**
Consulting fees	$	323,352	$	-
Legal and accounting fees		846,229		281,508
Professional fees		215,782		86,323
Salaries and benefits		274,361		-
Share-based compensation (Note 30)		1,692,592		392,839
Other general and administration expenses		252,866		88,139
	$	**3,605,182**	**$**	**848,809**

(In Canadian dollars, except where otherwise indicated)

15. OPERATIONAL SUPPORT

Operational support expenses consist of:

As at December 31,		2020		2019
Consulting Fees	$	314,300		766,206
Rent		200,984		62,969
Salaries and benefits		2,461,335		331,944
Share-based compensation (Note 30)		(45,787)		96,916
Telephone, internet and data		611,596		173,281
Other operational support expenses		221,932		111,437
	$	**3,764,360**	**$**	**1,542,753**

16. RESEARCH AND DEVELOPMENT

Research and development expenses consist of:

As at December 31,		2020		2019
Consulting fees	$	979,174	$	917,177
Salaries and benefits		464,979		-
	$	**1,444,153**	**$**	**917,177**

17. SALES AND MARKETING

Sales and marketing expenses consist of:

As at December 31,		2020		2019
Consulting fees	$	1,823,731	$	481,630
Share-based compensation (Note 29)		4,932,696		-
User incentives and marketing expenses		2,177,160		1,078,339
	$	**8,933,587**	**$**	**1,559,969**

18. CASH AND CASH EQUIVALENTS

Cash consists of:

As at December 31,		2020		2019
Cash at banks	$	3,711,288	$	3,790,894
Short-term deposits		204,500		-
	$	**3,915,788**	**$**	**3,790,894**

(In Canadian dollars, except where otherwise indicated)

19. TRADE AND OTHER RECEIVABLES

Trade and other receivables consist of:

As at December 31,		2020		2019
Trade receivables	$	653,258	$	52,000
HST receivable		693,192		375,341
Other receivables		462,983		745
	$	**1,809,433**	**$**	**428,086**

20. PREPAID EXPENSES AND DEPOSITS

Current prepaid expenses and deposits consist of:

As at December 31,		2020		2019
Prepaid insurance	$	65,017	$	80,125
Prepaid licenses		30,392		49,238
Prepaid rent		28,377		-
Deposits		185,471		-
Other prepaid expenses and deposits		60,484		5,000
	$	**369,741**	**$**	**134,363**

Long term deposits of $1,042,503 consist of the Company's security deposits on its leases.

21. INVENTORY

Inventory consists entirely of finished goods and is primarily made up of Facedrive Marketplace merchandise, TraceSCAN wearables and Facedrive Foods merchandise.

During the year ended December 31, 2020, $96,617 (2019 - $Nil) of inventory was sold and recognized in cost of sales, and $22,017 (2019 - $Nil) of inventory was used for promotional purposes and recognized in other expense categories, such as selling and marketing and investor relations.

(In Canadian dollars, except where otherwise indicated)

22. INTANGIBLE ASSETS

	Brand Names[(a)]	HiRide Platform[(b)]	Customer Lists[(c)]	Developed Technology[(d)]	Vendor Relationships[(e)]	Courier Relationships[(f)]	Total
Cost							
Balance, December 31, 2019	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Additions	2,108,000	761,209	1,241,660	2,093,000	1,656,000	176,000	8,035,869
Impairment	-	(350,000)	-	-	-	-	(350,000)
Impact of currency translation	(17,729)	-	(17,701)	-	-	-	(35,430)
Balance, December 31, 2020	**$ 2,090,271**	**$ 411,209**	**$ 1,223,959**	**$ 2,093,000**	**$ 1,656,000**	**$ 176,000**	**$ 7,650,439**
Accumulated Amortization							
Balance, December 31, 2019	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Amortization	141,917	285,453	159,946	348,833	44,757	29,333	1,010,239
Impact of currency translation	-	-	(794)	-	-	-	(794)
Balance, December 31, 2020	**$ 141,917**	**$ 285,453**	**$ 159,152**	**$ 348,833**	**$ 44,757**	**$ 29,333**	**$ 1,009,445**
Net book value							
At December 31, 2019	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**
At December 31, 2020	**$ 1,948,354**	**$ 125,756**	**$ 1,064,807**	**$ 1,744,167**	**$ 1,611,243**	**$ 146,667**	**$ 6,640,994**

(a) Brand names comprised of the HiRide brand name acquired through the HiRide Acquisition of $70,000 (Note 7), the Steer brand name acquired through the Steer Acquisition of $650,000 (Note 10) and the Food Hwy brand name acquired through the Food Hwy Acquisition of $1,388,000 (Note 11).
(b) The HiRide Platform is fully developed and in use as of the date of the HiRide Acquisition. As at December 31, 2020, the Company has impaired the intangible asset, refer to notes below.
(c) Customer lists comprised of the Foodora List, acquired for $536,660 (Note 8), Steer Customer List, acquired for $649,000 (Note 10) and Food Hwy Customer List, acquired for $56,000 (Note 11).
(d) Developed Technology is in use as of the date of the Food Hwy Acquisition.
(e) Vendor Relationships comprised of the Food Hwy vendor relationships acquired through the Food Hwy Acquisition of $1,656,000 (Note 11).
(f) Courier Relationships comprised of the Food Hwy courier relationships acquired through the Food Hwy Acquisition of $176,000 (Note 11).

Management evaluates the useful life of its intangible assets on at least an annual basis. As at December 31, 2020, management has determined that the useful lives assessed are still appropriate.

The Company assesses its intangible assets with indefinite lives for indications that an asset may be impaired at the end of each reporting period.

During the year ended December 31, 2020, the Company identified impairment indicators on the HiRide Intangible Assets and the Foodora Lists and as a result performed an impairment test on these assets as discussed below. The Company did not identify any impairment indicators on its other intangible assets.

HiRide Intangible Assets

During the year ended December 31, 2020, the Company assessed indicators of impairment on the HiRide cash generating unit ("**CGU**") due to delays in the launch of the car-pooling platform. The delayed launch date is due to the suspension of almost all in-person classes in post-secondary institutions as a result of COVID-19. Accordingly, the Company estimated the recoverable amount of the HiRide CGU. The Company applied the value in use method, using a five-year discounted cashflow. The recoverable amount of the HiRide CGU was estimated to be $169,506. Accordingly, an impairment charge of $350,000 has been recognized on the HiRide Platform as at December 31, 2020.

Given the degree of uncertainty associated with the nature, severity, duration of measures to contain or delay the spread of COVID-19, the length of time that it could take for university operations to return to 'normal', the Company considered multiple scenarios that are probability-weighted.

The key assumptions used in the cash flow models included various significant unobservable inputs. The following significant unobservable inputs, all of which are classified as Level 3 on the fair value hierarchy and are subject to volatility and several uncontrollable factors which could significantly affect the present value of the discounted future cash flows, were used by management.

i) Launch date – 2 scenarios were considered with launch dates of September 2021 if the current government vaccinations schedules are kept and an alternative scenario launching in January 2022 if there are significant delays in vaccinations and thus a return to in-person education at post secondary institutions

ii) Number of schools – The Company expects to launch operations at 4 schools in September 2021 and plans to launch to 2 additional schools every 6 months for the first year, and to 2 additional schools every quarter in the second year. After the first two years, the Company expects to be able to scale up operations and launch an additional 4 schools per quarter. An alternative scenario was also considered, whereby multiple waves of COVID-19 outbreaks significantly impede the Company's ability to expand and the Company is only able to expand to 2 schools every six months.

iii) Number of rides per school – This is the product of the number of drivers at each school multiplied by the number of rides expected to be given by the driver per month. The number of rides ranges from 218 rides per school in the early stages of the model and grows to 1,224 rides per school by year 5. The number of drivers has been defined as a percentage of the student population and ranges from 5% to 7% of the student population during the school term and 2% to 3% of the student population in the summer months. The number of rides per driver ranges from 0.5 to 2 rides per driver. An alternative scenario was also considered, whereby multiple waves of COVID-19 outbreaks significantly impede the Company's ability to penetrate the student population and the number of drivers is only 2% of the student population and the number of rides per driver caps out at 1.

(In Canadian dollars, except where otherwise indicated)

iv) Discount rate – A rate of 30% was used, calculated with a 5% premium on the Company's internal rate of return on the asset of 25% to account for the uncertainty around the launch date due to COVID-19.

v) Contribution margin per ride – The contribution margin per ride is $4.75 and grows by the inflation rate of 2% per year to $5.14 in year 5. The estimate for the contribution margin per ride is based on the results of a 6-month beta-testing project that was run by HiRide at the University of Waterloo prior to the shut-downs caused by the COVID-19 pandemic.

vi) Long-term growth – 2% was used, which is the expected long-term GDP growth rate in Canada.

The following table shows how changes in the Level 3 inputs would impact the recoverable amount:

Unobservable Inputs	**Change**	**Decrease in Recoverable Amount**
Number of schools	Decrease by 1 per quarter	63,046
Number of drivers per school	Decrease by 5%	75,106
Number of rides per driver	Decrease by 5%	75,106
Discount rate	Increase by 1 percentage point	5,286
Contribution margin per ride	Decrease by 5%	75,106
Long-term growth	Decrease by 0.5 percentage point	4,246

<u>Foodora Lists</u>
Subsequent to the year ended December 31, 2020, the Company decided to focus on strengthening its market share in certain regions before rolling out its services to all the restaurant partners from the Foodora Lists. Consequently, the Company sent the communications to the restaurant partners in certain cities about temporarily suspending their accounts and re-onboarding them as soon as the Company has relaunched in their region. As a result, the Company assessed impairment indicators on the Foodora Lists. Accordingly, the Company estimated the recoverable amount of the Facedrive Foods CGU. The Company applied the value in use method, using a six-year discounted cashflow. The recoverable amount of the Facedrive Foods CGU was estimated to be $9,811,696. As the estimated recoverable amount was higher than the carrying value of the CGU of $5,602,822, no impairment has been recognized as at December 31, 2021.

The key assumptions used in the cash flow model included various significant unobservable inputs. The following significant unobservable inputs, all of which are classified as Level 3 on the fair value hierarchy and are subject to volatility and several uncontrollable factors which could significantly affect the present value of the discounted future cash flows, were used by management as part of this model:

(In Canadian dollars, except where otherwise indicated)

i) Average revenue per order $9.50 – The average revenue per order of $9.50 consist of delivery fee, restaurant commission and platform usage fee and is based on the Company's current pricing structure.

ii) Number of orders per day – The number of orders ranges from 5,200 orders per day and grows to 31,458 orders per day by year 5. The expected number of orders per day is estimated based on historical data, adjusted to reflect the Company's expansion plans to other regions in Canada.

iii) Driver payout per order – The driver payout per order ranges from $3.99 to $4.30 and is based on Food Hwy's historical costs.

iv) Cost of user incentives per order – These incentives typically come in the form of discounts and range from $2.85 to $3.34 and is based on Food Hwy's historical costs.

v) Discount rate – A rate of 34% was used, calculated with a 9% premium on the Company's internal rate of return on the asset of 25% to account for the uncertainty around expansion plans due to COVID-19and the sensitivity of the model to changes in inputs.

vi) Long-term growth – 2% was used, which is the expected long-term GDP growth rate in Canada.

The following table shows how changes in the Level 3 inputs would impact the recoverable amount:

Unobservable Inputs	**Change**	**Decrease in Recoverable Amount**
Average revenue per order	Decrease by 1%	1,728,449
Number of orders per day	Decrease by 1%	251,668
Driver payout per order	Increase by 1%	731,441
Cost of user incentives per order	Increase by 1%	769,109
Discount rate	Increase by 1 percentage point	716,292
Long-term growth	Decrease by 0.5 percentage point	128,762

Steer Intangible Assets

The Steer brand name is indefinite lived, and as such is subject to impairment testing annually. The Company performed an impairment analysis on the intangible assets by comparing the recoverable amount, based on the discounted future estimated cash flows, of the Steer CGU related to the intangible assets to the carrying value of the Steer CGU. The Company applied the fair value less costs to sell method, using a seven-year discounted cashflow. The recoverable amount of the Steer CGU was estimated to be $3,616,063. As the estimated recoverable amount was higher than the carrying value of the CGU of $2,107,211, no impairment has been recognized as at December 31, 2021.

The key assumptions used in the cash flow model included various significant unobservable inputs. The following significant unobservable inputs, all of which are classified as Level 3 on the fair value hierarchy and are subject to volatility and several uncontrollable factors which could significantly affect the present value of the discounted future cash flows, were used by management as part of this model:

(In Canadian dollars, except where otherwise indicated)

i) Number of subscribers per month– The number of subscribers expected to join the platform ranges from 112 at the start of the model and gradually increases to 15,560 at the end of year 7. The growth is projected based on the Company's current subscriber base and takes into account the Company's expansion plans to other cities in the US, and expansion into the Canadian market.

ii) Leasing costs – The Company leases its fleet and the leasing costs per vehicle is based on historical data.

iii) Number of available vehicles – The Company expects to be able to grow their fleet by 10 cars per month in the first 6 months to overcome a current vehicle shortfall and to keep up with expansion plans. Thereafter, additions to the fleet will taper off to 5 cars per month. The Company's ability to obtain the vehicles is based on current discussions and negotiations with third party leasing institutions.

iv) Discount rate – A rate of 30% was used, calculated with a 5% premium on the Company's internal rate of return on the asset of 25% to account for the uncertainty around expansion plans due to COVID-19.

v) Long-term growth – 2% was used, which is the expected long-term GDP growth rate in Canada.

The following table shows how changes in the Level 3 inputs would impact the recoverable amount:

Unobservable Inputs	**Change**	**Decrease in Recoverable Amount**
Number of subscribers per month	Decrease by 1%	114,801
Leasing costs	Increase by 1%	206,067
Number of available vehicles	Decrease by 1 car per month	34,786
Discount rate	Increase by 1 percentage point	306,621
Long-term growth	Decrease by 0.5 percentage point	57,750

23. GOODWILL

	Food Delivery	**Steer**	**Total**
Balance, December 31, 2019	$	$	$ -
Additions (Note 10 and 11)	365,843	897,173	1,263,016
Impact of currency translation	-	(24,472)	(24,472)
Balance, December 31, 2020	**$ 365,843**	**$ 872,701**	**$ 1,238,544**

The Company recognized goodwill on the Steer and Food Hwy acquisitions (Notes 10 and 11). The goodwill has been allocated to the Steer and Facedrive Foods CGU's.

Goodwill is tested for impairment on an annual basis. As discussed in Note 22, the estimated recoverable amount of the Facedrive Foods CGU and the Steer CGU were higher than the carrying value of the Facedrive Foods CGU and the Steer CGU, respectively. As such, as at December 31, 2020, no impairment expense has been recognized.

24. PROMISSORY NOTE RECEIVABLE

On October 21, 2019, the Company completed a transaction with Westbrook Global Inc. ("**Westbrook**") whereby the Company purchased a USD$1,000,000, 3.00% unsecured convertible promissory note of Westbrook, due December 31, 2022 (the "**Note**"). Under the terms of the Note, if Westbrook issues and sells shares of its common or preferred stock for aggregate gross proceeds of at least USD$10,000,000 (a "**Qualified Financing**") with the principal purpose of raising capital, the outstanding principal amount of the Note and all accrued and unpaid interest thereunder shall automatically convert into shares of the common or preferred stock issued in such Qualified Financing at the Conversion Price (as defined below). If Westbrook issues and sells shares of its common or preferred stock with the principal purpose of raising capital in a manner, that does not constitute a Qualified Financing (a "**Non-Qualified Financing**"), the outstanding principal amount of the Note and all accrued and unpaid interest thereunder may be convertible, at the Company's option, into shares of Westbrooks' common or preferred stock issued in the Non-Qualified Financing at the Conversion Price. The "**Conversion Price**" is a price per share equal to the lesser of: (i) 85% of the price per share paid by the other purchasers of the common or preferred stock sold in the Qualified Financing or Non-Qualified Financing, as applicable; and (ii) an amount obtained by dividing USD$300,000,000 by the fully diluted capitalization of Westbrook. The outstanding principal amount of the Note is also convertible, at the Company's option, in the event of a change of control of Westbrook into shares of class A common stock of Westbrook at a price per share equal to 85% of the per share consideration payable to the holders of class A common stock of Westbrook in such change of control transaction.

As the cash flows of the Note do not consist of payments that are solely principal and interest, the Note is classified as fair value through profit and loss ("**FVTPL**") and adjusted to fair value every reporting period. Total unrealized foreign exchange loss as at December 31, 2020 was $25,600 and total unrealized foreign exchange loss as at December 31, 2019 was $17,200.

Interest receivable as at December 31, 2020 was $45,835 (December 31, 2019 - $7,686). Interest income as at December 31, 2020 was $40,346 (December 31 2019 - $7,686).

(In Canadian dollars, except where otherwise indicated)

25. EQUIPMENT

		Computers
Cost		
Balance, December 31, 2019	$	-
Additions		23,128
Balance, December 31, 2020	**$**	**23,128**
Accumulated Depreciation		
Balance, December 31, 2019	$	-
Depreciation		2,623
Impact of currency translation		(17)
Balance, December 31, 2020	**$**	**2,606**
Net Book Value		
At December 31, 2019	**$**	**-**
At December 31, 2020	**$**	**20,522**

26. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

Accounts payable and accrued liabilities consist of:

As at December 31,		2020		2019
Trade payables	$	2,447,829	$	170,096
Accrued liabilities and other payables		500,033		107,932
Payroll liabilities and source deductions		168,558		13,342
Related party liabilities (Note 30)		480,658		455,523
	$	**3,597,078**	**$**	**746,893**

The terms and conditions of the above financial liabilities are as follows:

- trade payables are non-interest bearing;
- accrued liabilities are non-interest bearing; and
- related party liabilities are non-interest bearing and have no specified terms of repayment.

27. LOANS

On April 27, 2020 and December 21, 2020, the Company received loans in the principal amount of $40,000 and $20,000 under the Canada Emergency Business Account ("**CEBA**") program.

On October 1, 2020, the Company assumed a $80,000 CEBA loan through the Food Hwy Acquisition (Note 11).

The loans are non-interest bearing and eligible for $40,000 forgiveness if repaid by December 31, 2022. If not repaid by December 31, 2022, the loans bear interest at 5% per annum and are due on December 31, 2025.

The Company intends to repay the loans by December 31, 2022 and management has assessed that the Company will have the financial ability to do so. As it is probable that the conditions for the forgiveness of the loans will be met, the Company has recognized the $40,000 loan forgiveness as government grant income during the period.

As the loans are issued at below market rates, the initial fair value of the loans was determined to be $76,417, which was determined using an estimated effective interest rate of 11%. The difference between the face value of the loans and the fair value of the loans of $ $23,583 (2019 - $Nil) has been recognized as government grant income during the period. During the year ended December 31, 2020, the Company recognized interest expense of $3,915 (2019 - $Nil) related to the loans.

As at December 31, 2020, the balance outstanding was $80,332 (2019 - $Nil).

28. OTHER FINANCIAL ASSETS AND FINANCIAL LIABILITIES

(a) Fair Values

The Company uses various methods to estimate the fair values of assets and liabilities that are measured at fair value on a recurring or non-recurring basis in the consolidated statements of financial position after initial recognition. The fair value hierarchy reflects the significance of inputs used in determining the fair values.

- Level 1 – fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2 – fair value measurements are those derived from inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- Level 3 – fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The Company's financial instruments consist of cash and cash equivalents, trade and other receivables, promissory note receivable (see Note 24), investment in Tally (Note 9), accounts payable and accrued liabilities, amounts due to related parties, loans and lease liability. Cash and cash equivalents, investment in Tally and promissory note receivable are measured at FVTPL on a recurring basis using level 1, level 3 and level 2 inputs, respectively. The carrying value of the Company's remaining financial instruments, with the exception of the long-term portion of amounts due to related parties and lease liability, approximate their fair values due to their short-term maturities. The fair value of the long-term balance of amounts due to related parties and lease liability approximate its carrying value, due to minimal changes in interest rates and the Company's credit risk.

29. SHARE CAPITAL

The Company is authorized to issue an unlimited number of Shares and an unlimited number of preferred shares, issuable in series. As at December 31, 2020, the Company had 93,729,980 Shares issued and outstanding (2019 – 90,164,530 Shares issued and outstanding) and no preferred shares issued and outstanding (2019 – no preferred shares issued and outstanding).

As at December 31, 2020, the Company had 85,919,039 Shares subject to contractual lock-up restrictions which will be released on a rolling basis between January 1, 2021 and September 30, 2024.

Except where otherwise indicated, all historical Share numbers and per Share amounts have been adjusted on a retroactive basis to reflect the following share capital reorganizations (together, the "**Share Capital Adjustments**"):

- 0.473538 Shares issued on September 16, 2019 in connection with the Transaction in exchange for each outstanding Class A Common Share and Class B Common Share of the Private Company (see Note 1); and
- The Forward Split completed on October 9, 2019 (see Note 1).

Share capital transactions during the year ended December 31, 2020 consisted of the following:

- On February 21, 2020, the Company completed a non-brokered private placement of 361,010 Shares issued at a price of $2.77 per Share for aggregate gross proceeds of $1,000,000. The Company incurred transaction fees of $26,785 in connection with this financing.
- On March 31, 2020, as purchase consideration for the HiRide Acquisition, the Company issued to the vendors an aggregate of 265,957 Shares at a price per Share equal to $3.76, representing aggregate consideration of $1,000,000. For accounting purposes, using the fair value method of accounting, consideration consisted of 265,957 Shares with a fair value of $739,360, representing a grant date fair value of the Shares of $2.78 per Share (see Note 7).
- On June 26, 2020, the Company issued an aggregate of 800,000 Shares to Medtronics Online Solutions Ltd. ("**Medtronics**") for marketing and strategic consulting services (the "**Medtronics Consulting Agreement**"). The Shares issued are subject to a lock-up arrangement for a period of twenty-seven months from the date of issuance, with an initial 15% of the shares being released 9 months after the issuance thereof and an additional 15% of the shares being released every 3 months thereafter and all remaining shares being released at the expiry of such 27-month period, subject to customary exceptions. The arrangement is a share-based payment transaction with a non-employee. As the fair value of the services received cannot be reliably measured, the Shares were measured and recognized based on the average closing price of the Shares over the service period, discounted at 35.6% due to the lock-up restrictions, resulting in a $4,932,696 charge to sales and marketing expense. The Company incurred transaction fees of $41,120 in connection with this transaction. For more information, see the Company's press release dated April 9, 2021.

- On June 29, 2020, the Company completed a non-brokered private placement of 643,389 Shares issued at a price of $9.00 per Share for aggregate gross proceeds of $5,790,501. The Company incurred transaction fees of $220,525 in connection with this financing.

- On July 6, 2020, the Company completed a non-brokered private placement of 368,548 Shares issued at a price of $9.00 per Share for aggregate gross proceeds of $3,316,932.

- On July 22, 2020, the Company completed a non-brokered private placement of 99,174 Shares issued at a price of $9.00 per Share for aggregate gross proceeds of $892,566.

- On August 7, 2020, the Company issued an aggregate of 151,457 Shares as consideration for the investment in Tally with a fair value of $2,326,425 (see Note 9).

- On August 27, 2020, the Company issued an aggregate of 607 Shares to a supplier as consideration for an outstanding accounts payable. The arrangement is a share-based payment transaction with a non-employee. For accounting purposes, using the fair value method of accounting, consideration comprised of 607 Shares with a fair value of $9,958, representing a grant date fair value of the Shares of $16.41 per Share.

- On September 4, 2020:

    - the Company issued an aggregate of 222,819 Shares with a fair value of $2,196,173 as purchase consideration for the Steer Acquisition (see Note 10).

    - the Company completed a non-brokered private placement of 137,119 Shares issued at a price of $19.2737 per Share for aggregate gross proceeds of USD$2,000,000 (see Note 9).

- On October 1, 2020, the Company issued an aggregate of 515,370 Shares as purchase consideration for the Food Hwy Acquisition. Subsequent to the year ended December 31, 2020, the Company cancelled 28,228 Shares as a result of the Adjustment to the purchase price (see Note 11). The fair value of share capital issued was $3,538,575 and reflects the adjusted purchase price.

Share capital transactions during the year ended December 31, 2019 consisted of the following:

- During the year ended December 31, 2019, the Company issued an aggregate of 20,163,770 Shares (4,258,131 Shares on a pre-Share Capital Adjustments basis) for aggregate gross cash proceeds of $3,055,001 at an average price of $0.15 per Share.
- On May 6, 2019, the Company repurchased and immediately cancelled 1,420,614 Shares (300,000 Shares on a pre-Share Capital Adjustments basis) at an aggregate purchase price of $281,827, or $0.20 per Share.
- On September 1, 2019, the Company cancelled 340,947 Shares (72,000 Shares on a pre-Share Capital Adjustments basis).
- On August 27, 2019, the Company completed a non-brokered private placement of subscription receipts, issuing 4,428,700 subscription receipts (935,334 subscription receipts on a pre-Share Capital Adjustments basis) for aggregate cash proceeds of $7,015,005, or $1.58 per subscription receipt. Each subscription receipt was automatically

(In Canadian dollars, except where otherwise indicated)

exchanged for Shares on a one-for-one basis upon completion of the Transaction.

- On September 16, 2019, pursuant to the RTO (see Note 1), the Company issued 1,298,750 Shares (129,875 Shares on a pre-Share Capital Adjustments basis) to certain former shareholders of High Mountain in exchange for each of the 6,493,750 issued and outstanding common shares of High Mountain. The Shares were valued at an aggregate of $2,056,989, or $1.58 per Share.

30. OPTIONS, WARRANTS AND RESTRICTED SHARE UNITS

(a) Options

The Company has established a stock option plan for its directors, officers, employees and consultants under which the Company may grant options (each, an "**Option**") from time to time to acquire Shares. The exercise price of each Option shall be determined by the Board of Directors (but must be at least equal to the closing price of a Share on the TSX-V on the day immediately prior to the relevant grant date). Options may be granted for a maximum term of ten years from the date of grant. Options are non-transferable and expire immediately upon termination of employment for cause, or within 30 days of termination of employment or holding office as director or officer of the Company or in the case of death. Unless otherwise provided in the applicable grant agreement, Options fully vest upon the grant thereof.

Continuity of the Options issued and outstanding are as follows:

	Number of options		Weighted average exercise price
Outstanding, December 31, 2018	**-**	$	**-**
Granted	1,182,304		1.44
Exercised	-		-
Outstanding, December 31, 2019	**1,182,304**	**$**	**1.44**
Granted	-		-
Exercised	-		-
Forfeited/Cancelled	(330,176)		0.40
Expired	(165,088)		0.40
Outstanding, December 31, 2020	**687,040**	**$**	**2.18**
Exercisable, December 31, 2020	**385,120**	**$**	**1.82**

As at December 31, 2020, the following Options were outstanding:

Number of options	Exercise price	Expiry date	Remaining contractual life (years)
362,320	1.90	September 26, 2024	3.74
181,160	2.21	September 26, 2024	3.74
120,760	3.31	September 26, 2024	3.74
22,800	0.50	May 30, 2028	7.42

(In Canadian dollars, except where otherwise indicated)

687,040

The weighted average remaining contractual life of Options outstanding as at December 31, 2020 was 3.86 years.

Share-based payments expense for Options is measured at fair value and recognized over the vesting period of the Options from the date of grant. The grant date fair value of the Options granted during the year ended December 31, 2019 was determined using the Black-Scholes option pricing model with the following weighted average assumptions: Share price of $1.27; expected volatility of 130% based on the average volatility of comparable companies; risk-free interest rate of 1.57%; expected dividend yield of 0%; and an expected life of 3.82 years. There were no options granted in year ended December 31, 2020.

During the year ended December 31, 2020, the Company recognized $601,084 (2019 - $330,670) in share-based payment expense for the vesting of Options.

During the year ended December 31, 2020, the Company reversed $43,983 in share-based payment expenses for options granted to a former officer of the Company. The former officer resigned in January 2020, the Options issued to the officer were forfeited in connection therewith, and the related share-based payment expense was reversed for unvested instruments.

(b) Warrants

The Company issued an aggregate of 2,450 common share purchase warrants ("**Warrants**") in connection with the RTO (see Note 1). The Warrants are exercisable at the option of the holder to acquire one Share at an exercise price of $0.50 per Warrant.

Continuity of the Company's Warrants issued and outstanding are as follows:

	Number of warrants		Weighted average exercise price
Outstanding, December 31, 2018	**-**	$	**-**
Granted	2,450		0.50
Exercised	-		-
Outstanding, December 31, 2019	**2,450**	**$**	**0.50**
Granted	-		-
Exercised	-		-
Expired	**(2,450)**		**0.5**
Outstanding, December 31, 2020	**-**	**$**	**-**
Exercisable, September 30, 2020	**-**	**$**	**-**

As at December 31, 2020, there were no outstanding Warrants.

(c) Restricted Share Units

Under the Company's performance and restricted share unit plan ("**PRSU Plan**"), the Company may grant restricted share units ("**RSUs**") or performance share units ("**PSUs**") to directors, officers, employees and consultants of the Company. The RSUs generally vest over a period of three years, in three equal tranches on the first, second and third anniversaries of the applicable grant date. The RSUs are valued at the market price of the underlying Share on the grant date and the compensation expense, based on the estimated number of awards expected to vest, is recognized over the vesting period of each tranche. Upon vesting of each RSU, the participant will receive a Share.

(In Canadian dollars, except where otherwise indicated)

The granting and vesting of any RSUs are conditional upon compliance with the PRSU Plan and the TSX-V's approval of the PRSU Plan. The TSX-V has required that any RSUs granted to date are subject to the approval of disinterested shareholders which will be sought by the Company at its upcoming 2021 annual meeting of its shareholders, which is expected to occur in June 2021.

The Company has no PSUs outstanding.
Continuity of the Company's RSUs issued and outstanding was as follows:

	Number of RSUs		Weighted average grant date fair value
Outstanding, December 31, 2018	**-**	$	**-**
Granted	1,754,681		0.67
Forfeited/cancelled	(927,291)		0.38
Outstanding, December 31, 2019	**827,390**	**$**	**0.99**
Granted	266,917		9.98
Forfeited/cancelled	(330,180)		0.38
Outstanding, December 31, 2020	**764,127**	**$**	**4.39**
Vested, pending settlement and issue	**286,347**	**$**	**1.48**

During the year ended December 31, 2020, 286,347 RSUs vested (2019 – Nil). As at December 31, 2020, the Shares for the RSU's have not been issued.

During the year ended December 31, 2020, the Company recognized $1,035,763 (2019 - $204,590) in share-based payment expense in respect of RSUs.

During the year ended December 31, 2020, the Company reversed $39,920 in share-based payment expense for RSUs granted to a former officer of the Company. The former officer resigned in January 2020, the RSUs were forfeited in connection therewith, and the related share-based payment expense was reversed for unvested instruments.

During the year ended December 31, 2019, the Company reversed $46,514 in share-based payment expense for RSUs granted to a former officer of the Company. The former officer resigned in June 2019, thereby forfeiting unvested RSUs, and the related share-based payment expense was reversed for unvested instruments.

31. RELATED PARTY DISCLOSURES

Related Party Transactions

Related parties include key management, the Board of Directors, close family members and entities which are controlled by these individuals as well as certain persons performing similar functions. Total salaries and benefits paid to the key management personnel of the Company was $165,333 for the year ended December 31, 2020 (2019 - $Nil). Total share-based compensation paid to several Board of Directors of the Company was $1,204,400 for the year ended December 30, 2020 (2019 - $356,600). There were no short-term employee benefits, post-employment benefits, other long-term benefits, or termination benefits paid to the directors and key management personnel of the Company for the years ended December 31, 2020 and 2019.

Terms and conditions of transactions with related parties

- As at December 31, 2020, $18,080 (2019 - $12,155) was due to Connex, a related company controlled by Sayan Navaratnam, the Company's Chairman and Chief Executive Officer. The amount owing is a result of Connex providing consulting and product development services to the Company. The amount owing by the Company to Connex is unsecured, non-interest bearing, with no specific terms for repayment, and is included in the Company's balance sheet as a short-term liability in the Company's trade payables. The total expenses charged to the Company by Connex for office space and operational support for the year ended December 31, 2020 was $71,470 (2019 - $50,000), which were included in the Company's income statement as operational support expenses. The total expenses charged to the Company by Connex for product development services for the year ended December 31, 2020 was $16,000 (2019 - $Nil), which were included in the Company's income statement as research and development expenses. In March 2019, the Company issued 7,399,030 Shares to Connex (1,562,500 Shares on a pre-Share Capital Adjustments basis) at an average price of approximately $0.10 per Share. The Shares were issued to Connex as consideration for payments of expenses for pre-IPO working capital and related expenses totalling $750,000 that were made by Connex on behalf of the Company prior to March 2019.

- As at December 31, 2020, $462,578 (December 31, 2019 - $443,368) was due to Dynalync, a related company controlled by Sayan Navaratnam, the Company's Chairman and Chief Executive Officer. The amount owing is a result of Dynalync providing consulting and product development services to the Company. The amount owing is unsecured, non-interest bearing, with no specific terms for repayment, and is included in the Company's balance sheet as a short-term liability in the Company's trade payables. The total expenses charged to the Company by Dynalync for the year ended December 31, 2020 were $17,000 (2019 - $1,266,700), which were included in the Company's income statement as a research and development expense in the amount of $Nil (2019 - $739,000) and operational support expenses in the amount of $17,000 (2019 - $527,700).

- As at December 31, 2020, $138,469 (December 31, 2019 - $138,469) was due to Junaid Razvi, one of the initial founders of the Company. These amounts were due as a result of Mr. Razvi making certain payments on the Company's behalf and providing initial working capital during 2018. The balance owing is unsecured, non-interest bearing. $138,469 will be repaid within the next 12 months.

- As at December 31, 2020, $195,559 (December 31, 2019 - $195,559) was due to Imran Khan, one of the initial founders of the Company. These amounts were due as a result of Mr. Khan making certain payments on the Company's behalf and providing initial working capital during 2018. The balance owing is reflected as a current liability on the

Company's balance sheet as at December 31, 2020 and is unsecured and non-interest bearing.

- As at December 31, 2020, $ Nil (December 31, 2019 - $16,194) was due to 10328545 Canada Inc., a related company controlled by Suman Pushparajah, who became the Company's Chief Operating Officer and member of the Board of Directors on April 7, 2021. The amount owing is a result of 10328545 Canada Inc. providing consulting and product development services to the Company. The amount owed by the Company is unsecured, non-interest bearing, with no specific terms for repayment, and is included in the Company's balance sheet as a short-term liability in the Company's trade payables. The total expenses charged to the Company by 10328545 Canada Inc. for office space, operational support and sales and marketing for the year ended December 31, 2020 were $147,653 (2019 - $131,270), which were included in the Company's income statement as expenses for operational support in the amount of $146,607 (2019 - $131,270) and sales and marketing expenses in the amount of $1,046 (2019 - $Nil).

- In March 2019, the Private Company issued 1,146,105 of its common shares to Seetha Investments Corp., a related company controlled by Suman Pushparajah, at a price of $0.44 per share for gross proceeds of $500,000, which after the Company's share consolidation, RTO and Forward Split, now represent 5,427,240 Shares. The March 2019 transaction was part of a financing by the Private Company that raised an aggregate of $2,755,000.

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

32. 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 and amounts due to related parties. The main purpose of these financial liabilities is working capital for the Company's operations. During the normal course of operations, the Company may become exposed to market risk, credit risk and liquidity risk.

The Company's senior management oversees the management of these risks. The Company's senior management is supported by a Board of Directors that advises on financial risks and the appropriate financial risk governance framework for the Company.

Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market 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, 2020, the Company is primarily exposed to foreign exchange risk through its United States dollars denominated cash and cash equivalents, promissory note receivable and the Tally investment. 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, 2020, 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 $582,000 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, 2020, 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, 2020, the Company is not exposed to significant other price risk.

Credit risk

Credit risk is the risk of an unexpected loss if a customer or counterparty to a financial instrument fails to meet its contractual obligation. The Company's financial instruments that are exposed to credit risk consist primarily of cash and cash equivalents, trade and other receivables and promissory note receivable (see Note 16). The Company reduces its credit risk on cash and cash equivalents by placing these instruments with financially stable and insured institutions. The Company's HST receivable has minimal credit risk as it is collectable from government institutions. The Company mitigates its exposure to credit risk from trade and other receivables through a payment collection platform which processes users' pre-authorized credit cards. The Company mitigates exposure to credit risk from its promissory note receivable by performing due diligence on investment opportunities and monitoring the credit worthiness of its borrowers. As payments from users are typically pre-authorized, the risk of credit loss is expected to be minimal. As at December 31, 2020, 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.

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, 2020, 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, 2020. 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.

33. COMMITMENTS, CONTINGENCIES AND GUARANTEES

Legal claim contingency

The Company may from time to time become subject to a variety of claims and lawsuits that arise from time to time in the ordinary course of the Company’s business. Although management currently believes that resolving claims against the Company, individually or in aggregate, will not have a material adverse impact on the Company’s financial position, results of operations or cash flows, these matters are subject to inherent uncertainties and management’s view of these matters may change in the future.

On March 2, 2020, an oppression remedy action was commenced by the individual pursuant to section 248 of the *Ontario Business Corporations Act* against the Company, its Board of Directors, and Odyssey Trust Company (its transfer agent), in the Ontario Superior Court of Justice. The plaintiff is seeking, among other relief, an order requiring the Company's Board of Directors to deliver to the plaintiff 340,947 common shares in the Company or, in the alternative, payment of damages equal to the greater of $1,568,356 or the monetary value of the 340,947 common shares of the Company as of the date of trial. To date, the Company has not been required to deliver a statement of defence. The Company is of the view that the claim is without merit and intends to defend the action, should a statement of defence be required. As such, no provision has been recognized for this matter as at December 31, 2020.

(In Canadian dollars, except where otherwise indicated)

Guarantees

The Company indemnifies its directors and officers against claims reasonably incurred and resulting from the performance of their services to the Company and maintains liability insurance for its directors and officers.

At December 31, 2020, the Company was contingently liable under an irrevocable letter of credit issued by its bank in February 2020 in the amount of $100,000 which will expire in February 2021. The letter of credit was issued to Greater Toronto Airports Authority ("**GTAA**") as a security for the Company's obligations in connection with an agreement between the Company and GTAA.

34. LEASES

Right-of-use assets

At December 31, 2020, the Company's Right-of-use assets are as follows:

		Office space		Vehicles		Total
As at January 1, 2019	$	-	$	-	$	-
Additions		198,755		-		198,755
Depreciation		(16,563)		-		(16,563)
As at December 31, 2019	$	182,192	$	-	$	182,192
Additions		449,826		8,193,516		8,643,342
Disposals		(115,940)		(73,241)		(189,181)
Depreciation		(73,507)		(641,938)		(715,445)
Impact of currency translation		-		17,080		17,080
As at December 31, 2020	**$**	**442,571**	**$**	**7,495,417**	**$**	**7,937,988**

The depreciation on the vehicles has been presented as cost of revenue (Note 13). The vehicles referred to in the table above are related to the Company's services and offerings for vehicle subscription service.

Lease liability

At December 31, 2020, the Company's lease liability is as follows:

Lease liability		**2020**		**2019**
Current portion	$	967,367	$	53,947
Long-term portion		7,311,591		138,010

(In Canadian dollars, except where otherwise indicated)

Total lease liability	**$**	**8,278,958**	**$**	**191,957**

At December 31, 2020, the Company is committed to minimum lease payments as follows:

Lease commitments		**2020**		**2019**
Less than one year	$	1,671,759	$	53,947
One to five years		8,853,047		167,473
Total undiscounted lease commitments	**$**	**10,524,806**	**$**	**221,420**

Amounts recognized in the Consolidated Statements of Loss and Comprehensive Loss

During the year ended December 31,		**2020**		**2019**
Interest on lease liabilities	$	267,073	$	4,421
Expenses relating to short-term leases		97,622		50,000
Expenses relating to variable lease payments not included in lease liabilities	$	62,356	$	12,969

Amounts recognized in the Consolidated Statements of Cash Flows

During the year ended December 31,		**2020**		**2019**
Interest paid	$	267,073	$	4,421
Payment of lease liabilities		334,859		6,799
Short-term lease payments		97,622		50,000
Expenses relating to variable lease payments not included in lease liabilities		62,356		12,969
Total cash outflows for leases	**$**	**761,910**	**$**	**74,189**

35. GOVERNMENT AND OTHER GRANTS

In response to the negative economic impact of COVID-19, the Government of Canada announced the Canada Emergency Wage Subsidy program in April 2020 ("**CEWS**"). CEWS provides a wage subsidy on eligible remuneration to eligible employers based on certain criteria.

During the year ended December 31, 2020, the Company assessed its eligibility related to CEWS and determined it has qualified for this subsidy from the effective date of March 15, 2020 through to November 21, 2020. The Company has accordingly applied for and received $280,620 for the period from March 15, 2020 to July 4, 2020 and $777,927 for the period from July 5, 2020 to November 21, 2020. This subsidy has been recorded as government grant income on the consolidated statements of comprehensive loss.

The Company has also recognized government grant income of $63,583 in conjunction with its CEBA loans (Note 27).

(In Canadian dollars, except where otherwise indicated)

36. SEGMENT REPORTING

The Company has one operating segment, being the provider of ridesharing, food-delivery and contract-tracing solutions, and operates in two geographic segments, being the United States and Canada.

The Company's revenue and long-lived assets by geographic area are set out below:

	Canada	United States	Total
December 31, 2020:			
Revenue			
Facedrive Rideshare	$ 512,049	$ 738,828	$ 1,250,877
Facedrive Marketplace	8,735	-	8,735
Facedrive Foods	2,472,252	-	2,472,252
Facedrive Health	52,490	-	52,490
Licence fees	150,000	-	150,000
	$ 3,195,526	$ 738,828	$ 3,934,354
Long-lived assets	$ 11,124,330	$ 10,564,024	$ 21,688,354

37. INCOME TAXES

Income tax expense

The following table reconciles the expected income tax expense at Canadian statutory income tax rates to the amounts recognized in the consolidated statements of loss and comprehensive loss for the years ended December 31, 2020 and 2019:

During the year ended December 31,		2020		2019
Net loss before taxes	$	(17,756,043)	$	(6,942,357)
Statutory tax rate		26.5%		26.5%
Expected income tax recovery	$	(4,705,000)	$	(1,840,000)
Non-deductible items		(218,000)		613,000
Other		(5,000)		122,000
Change in deferred tax assets not recognized		4,928,000		1,105,000
Total income tax recovery	$	-	$	-

Deferred tax assets and liabilities

Deferred taxes reflect the tax effects of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and their corresponding values for tax purposes. Deferred tax assets (liabilities) as at December 31, 2020 and 2019 were as follows:

(In Canadian dollars, except where otherwise indicated)

As at December 31,		2020		2019
Right-of-use asset	$	(1,691,000)	$	(48,000)
Lease liability		1,569,000		51,000
Share issue costs		78,000		17,000
Intangible assets		279,000		-
Tax loss carry-forwards		6,599,000		1,886,000
		6,834,000		1,906,000
Unrecognized deferred tax asset		(6,834,000)		(1,906,000)
Net deferred tax asset	$	-	$	-

The Company did not recognize deferred tax assets for the following deductible temporary differences because it is not probable that they would be utilized.

As at December 31,		2020		2019
Capital assets	$	3,000	$	-
Right-of-use asset		(7,938,000)		(182,000)
Lease liability		7,354,000		192,000
Share issue costs		294,000		63,000
Intangible assets		1,069,000		-
Tax loss carry-forwards		25,016,000		7,120,000
Unrecognized deductible temporary differences	$	25,798,000	$	7,193,000

As at December 31, 2020, the Company had non-capital tax loss carry-forwards in Canada of $24,455,000 which can be applied to reduce future Canadian taxable income and will expire between 2037 and 2040 and non-capital tax loss carry-forwards in the United States of $561,000 which can be applied to reduce future United States taxable income and will expire between 2020 and 2033.

38. SUBSEQUENT EVENTS

2021 Private Placement

On February 2, 2021, the Company completed the 2021 Private Placement of 1,518,518 Shares issued at a price of $13.50 per Share for aggregate gross proceeds of $20,499,993. All Shares issued were subject to a four-month statutory hold period from the date of issuance. The net proceeds from the private placement are intended to be used for general corporate purposes, including further development of TraceSCAN, and to augment the Company's cash reserves. The Company incurred finder's fees of $224,600 in connection with this financing.

Ontario Together Fund

TraceSCAN, the COVID-19 wearable contact-tracing solution developed by Facedrive Health, was endorsed with an investment by the Ontario Ministry of Economic Development, Job Creation and Trade (the "**Ministry**"). On February 11, 2021, the Company and the Ministry entered into agreement whereby Facedrive will receive CAD $2,500,000 in non-dilutive funding via the

Ministry's *Ontario Together Fund* ("**OTF**"). The Company received an initial tranche of $1,500,000 from the OTF on February 17, 2021.

Extension of Voluntary Lock-Up Agreements

Recently, members of Facedrive's senior management team demonstrated their commitment to Facedrive's investors and all stakeholders by voluntarily extending the lock-up period of their shareholdings in the Company. On March 8, 2021, Sayan Navaratnam (the Chairman, CEO and largest shareholder of the Company) extended the lockup period for all of the Shares that he owns (both directly and indirectly) by two (2) years to March 31, 2023, meaning all of his Shares will only gradually begin releasing from lock-up on that date (at a rate of 15 percent every 90 days thereafter over the following 18 months). Similarly, Junaid Razvi (Executive Vice President and Director) and Suman Pushparajah (Chief Operating Officer of Facedrive) have also extended their lockup periods in respect of all Shares held by them (both directly and indirectly) by one (1) year to March 31, 2022, meaning all such Shares will only gradually begin releasing from lock-up on that date (at a rate of 15 percent every 90 days over the following 18 months).

The collective holdings of Mr. Navaratnam, Mr. Razvi and Mr. Pushparajah account for approximately 49% of the Company's shares.

On March 9, 2021, Medtronics issued a press release announcing that it has also voluntarily agreed to extend the lock-up period of its 800,000 Shares of Facedrive for one additional year. The new release dates for Medtronics are as follows: (a) 15% (120,000 Shares) on March 31, 2022; (b) 15% (120,000 Shares) on June 30, 2022; (c) 15% (120,000 Shares) on September 30, 2022; (d) 15% (120,000 Shares) on December 31, 2022; (e) 15% (120,000 Shares) on March 31, 2023; and (f) 15% (120,000 Shares) on June 30, 2023. The remaining 10% of Medtronics' Share position (totaling 80,000 Shares) will be released from lock-up on September 30, 2023.

Changes to the Board of Directors

On April 7, 2021, the Company appointed two new members to Facedrive's Board of Directors. The new members of the Board are Susan Uthayakumar and Suman Pushparajah. Concurrent with these appointments to the Board, Mr. Jay Wilgar resigned from the Board. The new appointments are subject to the approval of the TSX Venture Exchange.

Acquisition of EcoCRED, LLC

On April 14, 2021, the Company announced that it had completed the acquisition of 100% of the ownership interest of EcoCRED, LLC, from Exelorate, a wholly-owned subsidiary of Exelon Corporation (NASDAQ:EXC), a Fortune 100 energy company. Facedrive acquired 100% of the ownership interest of EcoCRED, LLC in exchange for aggregate consideration of USD$1,000,000, which was satisfied through the issuance of 38,936 Shares (the "**EcoCRED Acquisition Shares**"), issued at a 30-day volume weighted average trading price of price of $32.36 (USD$25.68) per Share. All EcoCRED Acquisition Shares are subject to an 18-month lock-up period.

EcoCRED, LLC has developed an app (the "**EcoCRED App**") that estimates users' daily carbon footprint based on their living habits, such as how they commute, 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 EcoCRED App has gone through 24 upgrades since its initial stage of development and launch in 2017.