FACEDRIVE INC.

CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

FOR THE THREE MONTHS ENDED MARCH 31, 2021 AND 2020

(Expressed in Canadian dollars)
(Unaudited)

Facedrive Inc.
Condensed Consolidated Interim Financial Statements
For the Three Months Ended March 31, 2021 and 2020
(Unaudited - In Canadian dollars, except where otherwise indicated)

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Facedrive Inc.
Condensed Consolidated Interim Statements of Financial Position
(Unaudited - In Canadian dollars, except where otherwise indicated)

As at	Notes	March 31, 2021	December 31, 2020
ASSETS			
Current assets			
Cash and cash equivalents	13	$ 18,716,166	$ 3,915,788
Trade and other receivables	14	1,574,387	1,809,433
Prepaid expenses and deposits	15	2,102,280	369,741
Inventory	16	759,497	118,345
		23,152,330	6,213,307
Deposits	15	1,030,728	1,042,503
Interest receivable	19	54,603	47,152
Promissory note receivable	19	1,257,500	1,273,200
Equipment	20	255,451	20,522
Right-of-use assets	29	7,564,903	7,937,988
Long-term investment		3,444,447	3,487,451
Intangible assets	17	5,962,232	6,640,994
Goodwill	18	1,227,784	1,238,544
Total assets		$ 43,949,978	$ 27,901,661
LIABILITIES			
Current liabilities			
Accounts payable and accrued liabilities	21	$ 4,045,126	$ 3,597,078
Deposits		290,380	227,086
Deferred income	30	796,239	87,511
Due to a related party	26	195,559	334,028
Lease liability - current	29	994,726	967,367
		6,322,030	5,213,070
Loans	22	90,818	80,332
Lease liability	29	7,147,629	7,311,591
Total liabilities		13,560,477	12,604,993
SHAREHOLDERS' EQUITY (DEFICIT)			
Capital stock	24	61,123,670	40,916,526
Contributed surplus		2,974,194	2,176,016
Accumulated other comprehensive loss		(109,919)	(75,835)
Deficit		(33,598,444)	(27,720,039)
Total shareholders' equity (deficit)		30,389,501	15,296,668
Total liabilities and shareholders' equity		$ 43,949,978	$ 27,901,661

Commitments, contingencies and guarantees Note 28
Subsequent events Note 32

Approved by:

(signed) "Junaid Razvi" Director *(signed) "Sayanthan Navaratnam"* Director

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

Facedrive Inc.
Condensed Consolidated Interim Statements of Loss and Comprehensive Loss
(Unaudited - In Canadian dollars, except where otherwise indicated)

For the three months ended March 31,	**Note**		**2021**		**2020**
REVENUE	8	$	4,255,815	$	387,901
COSTS AND OPERATING EXPENSES					
Cost of revenue	9		3,353,287		248,490
General and administration	10,25		2,059,249		578,579
Operational support	11,26		2,064,197		361,019
Research and development	26		344,435		233,298
Sales and marketing	12		2,482,098		574,907
Amortization			663,690		-
Depreciation	20,29		30,174		16,592
Total operating expenses			10,997,130		2,012,885
OPERATING LOSS			(6,741,315)		(1,624,984)
OTHER INCOME (EXPENSES)					
Government and other grants	30		1,084,882		-
Foreign exchange gain (loss)			(49,390)		120,908
Interest expenses			(187,285)		(4,267)
Interest income			9,632		10,201
Gain on lease terminations			5,071		-
NET LOSS		$	(5,878,405)	$	(1,498,142)
Cumulative translation adjustment			(34,084)		-
NET LOSS AND COMPREHENSIVE LOSS			(5,912,489)		(1,498,142)
Loss per share – basic and diluted		$	(0.06)	$	(0.02)
Weighted average shares outstanding – basic and diluted			93,746,852		90,326,138

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

Facedrive Inc.
Condensed Consolidated Interim Statements of Changes in Equity
(Unaudited - 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, 2019		**90,164,530**	**$**	**13,843,970**	**$**	**539,169**	**$**	**(9,963,996)**	**$**	**-**	**$**	**4,419,143**
Issuance of share capital	24	361,010		1,000,000		-		-		-		1,000,000
Share issuance costs	24	-		(26,785)		-		-		-		(26,785)
Acquisition of HiRide	3,24	265,957		739,360		-		-		-		739,360
Share-based payments	25	-		-		246,172		-		-		246,172
Net loss and comprehensive loss		-		-		-		(1,498,142)		-		(1,498,142)
Balance, March 31, 2020		**90,791,497**	**$**	**15,556,545**	**$**	**785,341**	**$**	**(11,462,138)**	**$**	**-**		**4,879,748**
Balance, December 31, 2020 [(a)]		**93,729,980**	**$**	**40,916,526**	**$**	**2,176,016**	**$**	**(27,720,039)**	**$**	**(75,835)**	**$**	**15,296,668**
Issuance of share capital	24	1,518,518		20,499,993		-		-		-		20,499,993
Share issuance costs	24	-		(292,849)		-		-		-		(292,849)
Share-based payments	25	-		-		798,178		-		-		798,178
Net loss and comprehensive loss		-		-		-		(5,878,405)		(34,084)		(5,912,489)
Balance, March 31, 2021		**95,248,498**	**$**	**61,123,670**	**$**	**2,974,194**	**$**	**(33,598,444)**	**$**	**(109,919)**		**30,389,501**

(a) As a result of the Adjustment to the purchase price (see Note 7), the Company will cancel 28,228 common shares. The fair value of share capital issued reflects the adjusted purchase price.

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

Facedrive Inc.
Condensed Consolidated Interim Statements of Cash Flows
(Unaudited - In Canadian dollars, except where otherwise indicated)

For the three months ended March 31,		**2021**		**2020**
Cash provided by (used in)				
OPERATING ACTIVITIES				
Net loss	$	(5,878,405)	$	(1,498,142)
Items not affecting cash:				
Depreciation and amortization		1,157,375		16,592
Share-based payments		798,178		246,172
Unrealized foreign exchange gain		60,860		(121,164)
Gain on lease terminations		(5,071)		-
Interest expense		12,717		-
Government and other grants		(11,967)		-
Net change in non-cash working capital items:				
Trade and other receivables		234,271		24,886
Prepaid expenses and deposits		(1,732,738)		19,989
Interest receivable		(9,606)		(10,201)
Deposits		65,116		(17,006)
Inventory		(641,152)		-
Accounts payable and accrued liabilities		450,569		198,746
Deferred income		708,195		(100,000)
Cash used in operating activities		(4,791,658)		(1,240,128)
INVESTING ACTIVITIES				
Acquisition of HiRide		-		(51,549)
Cash acquired from HiRide acquisition		-		40
Purchase of property, plant and equipment		(239,543)		(2,070)
Cash used in investing activities		(239,543)		(53,579)
FINANCING ACTIVITIES				
Repayments to related parties		(138,469)		-
Issuance of common shares		20,499,993		1,000,000
Share issuance costs		(292,849)		(26,785)
Principal payment of lease liabilities		(252,171)		(6,953)
Proceeds from loans		20,000		-
Cash provided by financing activities		19,836,504		966,262
Impact of exchange rate on cash		(4,925)		-
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS		**14,800,378**		**(327,445)**
Cash and cash equivalents, beginning of period		3,915,788		3,790,894
Cash and cash equivalents, end of period	$	**18,716,166**	$	**3,463,449**

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

1. CORPORATE INFORMATION

Facedrive Inc. ("Facedrive" or the "Company") was incorporated on January 18, 2018, under the *Business Corporations Act* (Alberta) as High Mountain Capital Corporation and was continued on December 31, 2019, under the *Business Corporations Act* (Ontario). The Company changed its name to Facedrive Inc. on September 16, 2019. 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.

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 enacted on April 8, 2021, and currently extended to June 2, 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. As at March 31, 2021, the Company has not noted any significant impairment as a result of COVID-19, however, due to the delay in the Company's car-pooling platform, the Company recognized an impairment loss for December 31, 2020 (Note 17). 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

The unaudited condensed consolidated interim financial statements have been prepared on a historical cost basis, except for certain financial instruments that have been measured at fair value.

(a) Statement of Compliance

The unaudited condensed consolidated interim financial statements of the Company have been prepared in accordance with International Financial Reporting Standards ("**IFRS**") applicable to the preparation of condensed interim financial statements, including International Accounting Standards ("**IAS**") 34, Interim Financial Reporting, as issued by the International Accounting Standards Board ("**IASB**"), and the Interpretations of the International Financial Reporting Interpretations Committee ("**IFRIC**"). Accordingly, certain disclosures included in annual financial statements prepared in accordance with IFRS as issued by the IASB have been condensed or omitted and these unaudited condensed interim consolidated financial statements should be read in conjunction with the Company's audited consolidated financial statements for the year ended December 31, 2020.

The Company's management makes judgments in its process of applying the Company's accounting policies in the preparation of its unaudited interim condensed consolidated financial statements. In addition, the preparation of the financial data requires that the Company's management make assumptions and estimates of the effects of uncertain future events on the carrying amounts of the Company's assets and liabilities at the end of the reporting period and the reported amounts of revenues and expenses during the reporting period. Actual results may differ from those estimates as the estimation process is inherently uncertain. Estimates are reviewed on an ongoing basis based on historical experience and other factors that are considered to be relevant under the circumstances. Revisions to estimates and the resulting effects on the carrying amounts of the Company's assets and liabilities are accounted for prospectively. The critical judgments and estimates applied in the preparation of the Company's unaudited condensed interim consolidated financial statements are consistent with those applied and disclosed in the Company's consolidated financial statements for the year ended December 31, 2020. In addition, other than noted below, the accounting policies applied in these unaudited condensed interim consolidated financial statements are consistent with those applied and disclosed in the Company's audited financial statements for the year ended December 31, 2020.

The Company's interim results are not necessarily indicative of its results for a full year.

These condensed consolidated interim financial statements were authorized for issue by the board of directors of the Company (the "**Board of Directors**") on May 27, 2021.

(b) Basis of Presentation

The unaudited condensed consolidated interim financial statements have been prepared on a historical cost basis, except for certain financial instruments that have been measured at fair value. These unaudited condensed consolidated interim financial statements have been prepared using the accrual basis of accounting, except for cash flow information.

(c) Basis of Consolidation

These condensed consolidated interim 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**"), Food Hwy Canada Inc. and Steer EV 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, Facedrive USA LLC was incorporated on October 1, 2020 and Steer EV Canada Inc. was incorporated on February 11, 2021. 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 condensed consolidated interim 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

(Unaudited - In Canadian dollars, except where otherwise indicated)

HiRide Share Ltd.	Canadian Dollar
Steer EV Canada Inc.	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 condensed consolidated interim statement of loss and comprehensive loss.

Non-monetary items are not retranslated at period 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 condensed consolidated interim 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.

3. 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 common shares of the Company ("**Shares**") at a price per Share equal to $3.76 (calculated as the 30-day volume weighted average trading price of the common 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.

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 common 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.

(Unaudited - In Canadian dollars, except where otherwise indicated)

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 have not been met and as such, no amounts have been accrued in these consolidated financial statements as at March 31, 2021.

4. 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.

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**

5. 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.

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 March 31, 2021, 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.

6. 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**").

(Unaudited - In Canadian dollars, except where otherwise indicated)

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 18). 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.

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.

7. 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.

(Unaudited - In Canadian dollars, except where otherwise indicated)

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 will cancel 28,228 of the 18 Month Lock-Up Shares. As at the date of this report, these shares have not been cancelled.

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.

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 18). 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.

(Unaudited - In Canadian dollars, except where otherwise indicated)

8. REVENUE

	For the three months ended March 31, 2021	For the three months ended March 31, 2020
Facedrive Rideshare		
Ridesharing	$ 79,054	$ 287,901
Vehicle Subscription Service	596,713	-
	675,767	287,901
Facedrive Foods		
Commission	1,641,120	-
Delivery	1,607,756	-
Merchandise	241,548	-
	3,490,424	-
Facedrive Marketplace	13,707	-
Facedrive Health	75,917	-
Licence fees	-	100,000
	$ 4,255,815	**$ 387,901**

9. COST OF REVENUE

	For the three months ended March 31, 2021	For the three months ended March 31, 2020
Automobile costs	$ 158,925	$ -
Cost of goods sold	326,161	-
Depreciation	463,511	-
Insurance expenses	133,206	118,065
Payment processing fees	375,152	71,117
Payout to drivers	1,734,579	-
Other cost of revenue	161,753	59,308
	$ 3,353,287	**$ 248,490**

(Unaudited - In Canadian dollars, except where otherwise indicated)

10. GENERAL AND ADMINISTRATION

	For the three months ended March 31, 2021	For the three months ended March 31, 2020
Consulting fees	$ 26,054	$ 101,666
Insurance expenses	122,533	20,744
Legal and accounting fees	606,326	120,682
Professional fees	150,788	31,932
Salaries and benefits	316,392	1,512
Share-based compensation (Note 25)	798,178	291,960
Other general and administration expenses	38,978	10,083
	$ 2,059,249	**$ 578,579**

11. OPERATIONAL SUPPORT

	For the three months ended March 31, 2021	For the three months ended March 31, 2020
Consulting fees	$ 61,963	$ 29,159
Rent	116,191	27,969
Salaries and benefits	1,627,843	177,727
Share-based compensation (Note 25)	-	(45,787)
Telephone, internet and data	154,342	120,586
Other operational support expenses	103,858	51,365
	$ 2,064,197	**$ 361,019**

12. SALES AND MARKETING

	For the three months ended March 31, 2021	For the three months ended March 31, 2020
Consulting fees	$ 490,720	$ 74,519
User incentives and marketing expenses	1,991,378	500,388
	$ 2,482,098	**$ 574,907**

13. CASH AND CASH EQUIVALENTS

	March 31, 2021	December 31, 2020
Cash at banks	$ 18,511,666	$ 3,711,288
Short-term deposits	204,500	204,500
	$ 18,716,166	**$ 3,915,788**

(Unaudited - In Canadian dollars, except where otherwise indicated)

14. TRADE AND OTHER RECEIVABLES

		March 31, 2020		December 31, 2020
Trade receivables	$	609,453	$	653,258
HST receivable		839,287		693,192
Other receivables		125,647		462,983
	$	**1,574,387**	**$**	**1,809,433**

15. PREPAID EXPENSES AND DEPOSITS

		March 31, 2021		December 31, 2020
Prepaid insurance	$	72,455	$	65,017
Prepaid licences		22,143		30,392
Prepaid rent		4,960		28,377
Short-term deposits		1,822,800		185,471
Other prepaid expenses and deposits		179,922		60,484
	$	**2,102,280**	**$**	**369,741**

Long term deposits of $1,030,728 consist of the Company's security deposits on its leases.

16. INVENTORY

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

During the three months ended March 31, 2021, $288,018 (2020 - $Nil) of inventory was sold and recognized in cost of sales, and $8,550 (2020 - $Nil) of inventory was used for promotional purposes and recognized in other expense categories, such as selling and marketing and investor relations.

(Unaudited - In Canadian dollars, except where otherwise indicated)

17. 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
Impact of currency translation	(7,797)	-	(7,785)	-	-	-	(15,582)
Balance, March 31, 2021	**$ 2,082,474**	**$ 411,209**	**$ 1,216,174**	**$ 2,093,000**	**$ 1,656,000**	**$ 176,000**	**$ 7,634,857**
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
Amortization	124,417	25,151	91,199	348,833	44,757	29,333	663,690
Impact of currency translation	-	-	(510)	-	-	-	(510)
Balance, March 31, 2021	**$ 266,334**	**$ 310,604**	**$ 249,841**	**$ 697,666**	**$ 89,514**	**$ 58,666**	**$ 1,672,625**
Net book value							
At December 31, 2020	**$ 1,948,354**	**$ 125,756**	**$ 1,064,807**	**$ 1,744,167**	**$ 1,611,243**	**$ 146,667**	**$ 6,640,994**
At March 31, 2021	**$ 1,816,140**	**$ 100,605**	**$ 966,333**	**$ 1,395,334**	**$ 1,566,486**	**$ 117,334**	**$ 5,962,232**

(a) Brand names comprised of the HiRide brand name acquired through the HiRide Acquisition of $70,000 (Note 3), the Steer brand name acquired through the Steer Acquisition of $650,000 (Note 6) and the Food Hwy brand name acquired through the Food Hwy Acquisition of $1,388,000 (Note 7).

(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 4), Steer Customer List, acquired for $649,000 (Note 6) and Food Hwy Customer List, acquired for $56,000 (Note 7).

(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 7).
(f) Courier Relationships comprised of the Food Hwy courier relationships acquired through the Food Hwy Acquisition of $176,000 (Note 7).

(Unaudited - In Canadian dollars, except where otherwise indicated)

Management will evaluate the useful life and qualitatively review intangible assets for impairment on at least an annual basis.

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 was recognized for the year ended December 31, 2020.

During the three months ended March 31, 2021, no indicators of impairment were assessed on the Company's intangible assets.

18. GOODWILL

		Food Delivery		Steer		Total
Balance, December 31, 2020	$	**365,843**	**$**	**872,701**	**$**	**1,238,544**
Impact of currency translation		-		(10,760)		(10,760)
Balance, March 31, 2021	**$**	**365,843**	**$**	**861,941**	**$**	**1,227,784**

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

Goodwill is tested for impairment on an annual basis. The Company performed goodwill testing on the Steer and Facedrive Foods CGU's as at December 31, 2020 and did not note any impairment.

19. 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

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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 gain for the three months ended March 31, 2021 was $15,700 (2020 - $119,900).

Interest receivable as at March 31, 2021 was $54,572 (December 31, 2020 - $45,835). Interest income for the three months ended March 31, 2020 was $9,368 (2020 - $10,056).

20. EQUIPMENT

		Computers		Furnitures		Vehicles		Total
Cost								
Balance, December 31, 2020	$	23,128	$	-	$	-	$	23,128
Additions		23,543		30,970		185,030		239,543
Impact of currency translation		(87)		-		-		(87)
Balance, March 31, 2021	**$**	**46,584**	**$**	**30,970**	**$**	**185,030**	**$**	**262,584**
Accumulated Depreciation								
Balance, December 31, 2020		2,606		-		-		2,606
Depreciation		2,576		1,290		670		4,536
Impact of currency translation		(9)		-		-		(9)
Balance, March 31, 2021	**$**	**5,173**	**$**	**1,290**	**$**	**670**	**$**	**7,133**
Net Book Value								
At December 31, 2020	**$**	**20,522**	**$**	**-**	**$**	**-**	**$**	**20,522**
At March 31, 2021	**$**	**41,411**	**$**	**29,680**	**$**	**184,360**	**$**	**255,451**

21. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

		March 31, 2021		December 31, 2020
Trade payables	$	3,116,273	$	2,447,829
Accrued liabilities and other payables		326,103		500,033
Payroll liabilities and source deductions		103,606		168,558
Related party liabilities (Note 26)		499,144		480,658
	$	**4,045,126**	**$**	**3,597,078**

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.

22. LOANS

On January 7, 2021, the Company received a loan in the principal amount of $20,000 under the Canada Emergency Business Account ("**CEBA**") program. The loan is non-interest bearing and eligible for $10,000 forgiveness if repaid by December 31, 2022. If not repaid by December 31, 2022, the loan bears interest at 5% per annum and is due on December 31, 2025. The Company intends to repay the loan 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 $10,000 loan forgiveness as government grant income during the three months ended March 31, 2021. As the loan is issued at below market rates, the initial fair value of the loan was determined to be $8,033, which was determined using an estimated effective interest rate of 11%. The difference between the face value of the loan and the fair value of the loan of $1,967 (2020 - $Nil) has been recognized as government grant income during the period.

During the year ended December 31, 2020, the Company received loans in the principal amount of $140,000 under the CEBA program. 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 year ended December 31, 2020. 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 has been recognized as government grant income during the year ended December 31, 2020.

For the three months ended March 31, 2021, the Company recognized interest expense of $2,453 (2020 - $Nil) related to the CEBA loans.

As at March 31, 2021, the balance outstanding was $90,818 (December 31, 2020 - $80,332).

23. 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 19), investment in Tally (see Note 5), 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 their carrying value, due to minimal changes in interest rates and the Company's credit risk.

24. 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 March 31, 2021, the Company had 95,248,498 (December 31, 2020 - 93,729,980) Shares issued and outstanding and no preferred shares issued and outstanding.

Share capital transactions during the three months ended March 31, 2021 consisted of the following:

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

Share capital transactions during the three months ended March 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 3).

(Unaudited - In Canadian dollars, except where otherwise indicated)

25. 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 is as follows:

	Number of options		Weighted average exercise price
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**	**$**	**2.18**
Granted	-		-
Exercised	-		-
Outstanding, March 31, 2021	**687,040**		**2.18**
Exercisable, March 31, 2021	**385,120**	**$**	**1.82**

As at March 31, 2021, the following Options were outstanding:

Number of options	Exercise price	Expiry date	Remaining contractual life (years)
362,320	$1.90	September 26, 2024	3.49
181,160	$2.21	September 26, 2024	3.49
120,760	$3.31	September 26, 2024	3.49
22,800	$0.50	May 30, 2028	7.17
687,040			

The weighted average remaining contractual life of Options outstanding as at March 31, 2021 was 3.61 years.

Share-based payment expense for Options is measured at fair value and recognized over the vesting period of the Options from the date of grant. There were no options granted in the three months ended March 31, 2021.

During the three months ended March 31, 2021, the Company recognized $51,319 (2020 -

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$154,979) in share-based payment expense for Options.

(b) Warrants

The Company issued an aggregate of 2,450 common share purchase warrants ("Warrants") in connection with the Transaction (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 is as follows:

	Number of warrants		Weighted average exercise price
Outstanding, December 31, 2019	2,450	$	0.50
Granted	-		-
Exercised	-		-
Expired	(2,450)		0.50
Outstanding, December 31, 2020	-	$	-
Granted	-		-
Exercised	-		-
Outstanding, March 31, 2021	-	$	-
Exercisable, March 31, 2021	**-**	**$**	**-**

As at March 31, 2021, 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.

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 Summer 2021.

The Company has no PSUs outstanding.

Continuity of the Company's RSUs issued and outstanding is as follows:

(Unaudited - In Canadian dollars, except where otherwise indicated)

	Number of RSUs		Weighted average grant date fair value
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**
Granted	36,242		16.05
Outstanding, March 31, 2021	**800,369**	**$**	**4.92**
Vested, pending settlement and issue	**286,347**		**1.48**

During the three months ended March 31, 2021, the Company recognized $746,859 (2020 - $91,193) in share-based payment expense in respect of RSUs.

26. 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 $132,137 for the three months period ended March 31, 2021 (2020 - $Nil). Total share-based compensation paid to the Board of Directors and key management personnel of the Company was $123,325 for the three months ended March 31, 2021 (2020 - $330,075). There were no short-term employee benefits, post-employment benefits, other long-term benefits, or termination benefits paid to the directors and key management personnel of the Company for the three months ended March 31, 2021 and 2020.

Terms and conditions of transactions with related parties

- As at March 31, 2021, $36,567 (December 31, 2020 - $18,080) was due to Connex Telecommunications Inc. ("**Connex**"), a related company controlled by Sayan Navaratnam, the Company's Chairman and Chief Executive Officer. The amount owing was a result of Connex providing consulting and product development services to the Company. The amount owing by the Company to Connex is unsecured, non-interest bearing, with no specific terms for repayment, and is included in the Company's balance sheet as a short-term liability in the Company's trade payables. The total expenses charged to the Company by Connex for office space and operational support for the three months ended March 31, 2021 was $19,620 (2020 - $15,000), 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 three months ended March 31, 2021 was $16,000 (2020 - $Nil), which were included in the Company's income statement as research and development expenses.
- As at March 31, 2021, $462,578 (December 31, 2020 - $462,578) was due to Dynalync 2000 Inc. ("**Dynalync**"), a related company controlled by Sayan Navaratnam, the Company's Chairman and Chief Executive Officer. The amount owing was a result of Dynalync providing consulting and product development services to the Company. The

amount owing is unsecured, non-interest bearing, with no specific terms for repayment, and is included in the Company's balance sheet as a short-term liability in the Company's trade payables. The total expenses charged to the Company for the three months ended March 31, 2021 were $Nil (2020 - $Nil).

- As at March 31, 2021, $Nil (December 31, 2020, $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 was paid during the three months ended March 31, 2021.
- As at March 31, 2021, $195,559 (December 31, 2020 - $195,559) was due to Imran Khan, one of the initial founders of the Company. These amounts were due as a result of Mr. Khan making certain payments on the Company's behalf and providing initial working capital during 2018. The balance owing is reflected as a current liability on the Company's balance sheet as at March 31, 2021 and is unsecured, non-interest bearing and with no specific terms for repayment.
- As at March 31, 2021 and December 31, 2020, there were no amounts owing to or from 10328545 Canada Inc., a related company controlled by Suman Pushparajah, who became the Company's Chief Operating Officer and member of the Board of Directors on April 7, 2021. The total expenses charged to the Company by 10328545 Canada Inc. for office space, operational support and sales and marketing for the three months ended March 31, 2021 were $Nil (2020 - $37,488), which were included in the Company's income statement as expenses for operational support.

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.

27. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Company's primary 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 March 31, 2021, 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 March 31, 2021, and assuming that all other variables remain constant, a 10% appreciation or depreciation of the Canadian dollar relative to the United States dollar would result in a gain or loss of approximately $529,000 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 March 31, 2021, the Company is not exposed to significant interest rate risk.

Other price risk

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

Examples include changes in commodity prices or equity prices. As at March 31, 2021, 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 19). 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 passengers' 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 passengers are pre-authorized, the risk of credit loss is expected to be minimal. As at March 31, 2021, the Company is not exposed to significant credit risk.

Liquidity risk

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

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 March 31, 2021, nor have there been any changes made in the objectives, policies, or processes of the Company in respect of capital management during the three months ended March 31, 2021. The Company will continually assess the adequacy of its capital structure and capacity and make adjustments within the context of the Company's strategy, economic conditions, and the risk characteristics of the business.

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

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

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

28. 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 *Business Corporations Act* (Ontario) against the Company, its Board of

(Unaudited - In Canadian dollars, except where otherwise indicated)

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 March 31, 2021.

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 March 31, 2021, 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 expires in February 2022. 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.

29. LEASES

Right-of-use assets

At March 31, 2021, the Company's Right-of-use assets are as follows:

		Office space		Vehicles		Total
As at January 1, 2020	$	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**
Additions		-		255,487		255,487
Disposals		(50,103)		-		(50,103)
Depreciation		(21,766)		(467,383)		(489,149)
Impact of currency translation		-		(89,320)		(89,320)
As at March 31, 2021		**370,702**		**7,194,201**		**7,564,903**

The depreciation on the vehicles related to vehicle subscription service has been presented as cost of revenue (Note 9) and vehicles related to delivery of merchandise revenue has been presented as depreciation.

Lease liability

At March 31, 2021, the Company's lease liability is as follows:

(Unaudited - In Canadian dollars, except where otherwise indicated)

Lease liability		**March 31, 2021**		**December 31, 2020**
Current portion	$	994,726	$	967,367
Long-term portion		7,147,629		7,311,591
Total lease liability	**$**	**8,142,355**	**$**	**8,278,958**

At March 31, 2021, the Company is committed to minimum lease payments as follows:

Lease commitments		**March 31, 2021**		**December 31, 2020**
Less than one year	$	1,684,358	$	1,671,759
One to five years		8,589,995		8,853,047
Total undiscounted lease commitments	**$**	**10,274,353**	**$**	**10,524,806**

Amounts recognized in the Consolidated Statements of Loss and Comprehensive Loss

During the three months ended March 31,		**2021**		**2020**
Interest on lease liabilities	$	185,006	$	4,267
Expenses relating to short-term leases		95,467		15,000
Expenses relating to variable lease payments not included in lease liabilities	$	30,065	$	12,969

Amounts recognized in the Consolidated Statements of Cash Flows

During the three months ended March 31,		**2021**		**2020**
Interest paid	$	185,006	$	4,267
Payment of lease liabilities		252,171		6,953
Short-term lease payments		95,467		15,000
Expenses relating to variable lease payments not included in lease liabilities		30,065		12,969
Total cash outflows for leases	**$**	**582,709**	**$**	**39,189**

30. GOVERNMENT AND OTHER GRANTS

CEBA

During the three months ended March 31, 2021, the Company recognized government grant income of $11,997 in conjunction with its CEBA loans (Note 22).

Ontario Ministry of Economic Development, Job Creation and Trade (the "OTF") Grant

On February 11, 2021, the OTF agreed to provide funding of up to $2,500,000 to fund the development and production of the TraceSCAN application.

The grant is subject to the Company investing $3,333,333 in the development and commercialization of the TraceSCAN application, and the Company delivering a total of 320,000 TraceSCAN units by July 5, 2021.

(Unaudited - In Canadian dollars, except where otherwise indicated)

The Company received an initial tranche of $1,500,000 from the OTF on February 17, 2021.

During the three months ended March 31, 2021, the Company has recognized $797,288 of the grant as government grant income. The remainder of the grant is recorded as deferred income as at March 31, 2021.

31. 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 for the three months ended and as at March 31, 2021 are set out below:

	Canada	United States	Total
March 31, 2021:			
Revenue			
Facedrive Rideshare	$ 79,054	$ 596,713	$ 675,767
Facedrive Marketplace	13,707	-	13,707
Facedrive Foods	3,490,424	-	3,490,424
Facedrive Health	75,917	-	75,917
	$ 3,659,102	$ 596,713	$ 4,255,815
Long-lived assets	$ 10,846,282	$ 9,951,366	$ 20,797,648

For the three months ended and as at March 31, 2020, the Company had one operating segment and operated in one geographic segment, Canada.

32. SUBSEQUENT EVENTS

Board of Director and Management Changes

On April 7, 2021, the Company appointed two new members to Facedrive's Board of Directors. The new members of the Board of Directors are Susan Uthayakumar and Suman Pushparajah. Concurrent with these appointments to the Board of Directors, Mr. Jay Wilgar resigned from the Board. The 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. EcoCRED, LLC has developed an app that estimates users' daily carbon footprint based on their living habits, and suggests simple tasks and useful lifestyle tips to help educate its users and reduce their carbon footprint. 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 common shares (the "**EcoCRED Acquisition Shares**"), issued at a 30-day volume weighted average trading price of price of $32.36 (USD$25.68) per common share. All EcoCRED Acquisition Shares are subject to an 18-month lock-up period.