

SCREENPRO SECURITY INC. (FORMERLY COMPEL CAPITAL INC.)
MANAGEMENT DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2019
ANNUAL AUDITED

INTRODUCTION

The following sets out the Management’s Discussion and Analysis (“MD&A”) of results of operations and financial condition of ScreenPro Security Inc. (formerly Compel Capital Inc.) (the “Company”, “our” and “we”) describes the operating and financial results of the Company for the year ended December 31, 2020. The MD&A should be read in conjunction with the Company’s audited financial statements and related notes for the year ending December 31, 2020. The Company prepares and files its financial statements in accordance with International Financial Reporting Standards (“IFRS”). All dollar amounts herein are in Canadian currency unless otherwise specified. Additional information regarding the Company is available on the SEDAR website at www.SEDAR.com.

FORWARD-LOOKING STATEMENTS

Some statements contained in this MD&A are forward-looking statements, and therefore involve uncertainties or risks that could cause actual results to differ materially. These statements are based on the Company’s expectations, estimates and projections regarding its business and the economic environments in which it operates, and readers should not place undue reliance on such statements. The Company disclaims any obligation to update forward-looking statements.

DATE OF MD&A This MD&A was prepared on April 28, 2021.

OVERVIEW

Compel is a publicly held corporation and was incorporated on December 20, 1945 in Ontario. The Company’s common shares are now listed on the Canadian Securities Exchange under the trading symbol “SCRN”. On April 30, 2008, the Ontario Securities Commission (“OSC”) issued an order (the “Order”) revoking the cease trade order (the “CTO”) which was issued by the OSC in 1993.

On July 24, 2008 at a Special Meeting of Shareholders, the shareholders voted to change the company name from Slocan Rambler (1947) Mines Limited to Compel Capital Inc., consolidate the shares on the basis of a factor of one new common share in the capital of the Company for three existing common shares and to increase the authorized capital of the Company to an unlimited number of common shares without par value. The shareholders approved all of these resolutions.

OVERVIEW (Cont'd)

On July 6, 2010 the Company agreed to issue a total of 1,494,660 common shares to certain of the Company's debt-holders at an ascribed price of \$0.10 per share in full and final settlement of \$149,466 principal amount of unsecured debt (the "Debt Settlement Transaction").

On December 10, 2019 the Company agreed to issue a total of 46,854,800 common shares to certain of the Company's debt-holders for settlement of \$234,274 principal amount of unsecured debt (the "Second Debt Settlement Transaction").

FINANCIAL PERFORMANCE

The following tables set out financial performance highlights for the year ended December 31, 2020, 2019 and 2018 in accordance with IFRS.

For the year ended December 31	2020	2019	2018
Revenue	\$Nil	\$Nil	\$Nil
General and administrative	\$72,332	\$52,429	\$105,000
Net loss	\$(72,332)	\$(52,429)	\$(105,000)
Basic and diluted loss per share	\$(0.00)	\$(0.01)	\$(0.02)
Assets	\$32	\$32	\$32
Liabilities	\$178,570	\$106,238	\$ 53,809

Results of Operations

December 31, 2020 - 2019

The Company was inactive. The Company had no revenues and the expenses incurred were all related to maintaining the Company's status as a public issuer Company. The above reflects the Company's liabilities at December 31 for the years indicated. The changes in the Company's liabilities are related mainly to accrued management and professional fees in order for the Company to maintain its status as a public issuer. For more detailed information see the Company's audited financial statements.

Summary of Quarterly Results to December 31, 2020

	Dec 31, 2020	Sept 30, 2020	June 30, 2020	Mar 31, 2020
	\$	\$	\$	\$
Revenue	Nil	Nil	Nil	Nil
Net loss	(35,496)	(10,836)	(12,000)	(14,000)
Loss per share – Basic and diluted	(0.00)	(0.00)	(0.00)	(0.00)
	Dec 31, 2019	Sept 30, 2019	June 30, 2019	Mar 31, 2019
	\$	\$	\$	\$
Revenue	Nil	Nil	Nil	Nil
Net loss	(12,996)	(13,215)	(11,963)	(13,735)
Loss per share – Basic and diluted	(0.00)	(0.00)	(0.00)	(0.00)

TWELVE MONTHS ENDED DECEMBER 31, 2020 COMPARED TO THE TWELVE MONTHS ENDED DECEMBER 31, 2019

Revenues: The Company is inactive and has no revenues.

Expenses and net loss: Expenses for the twelve months ended December 31, 2020 are \$72,332 an increase of \$19,903 over the amount of \$52,429 for the twelve months ended December 31, 2019. These amounts are for professional fees, management fees, transfer agent and filing fees and interest. The increase was primarily due to an increase in legal fees related to general corporate matters.

THREE MONTHS ENDED DECEMBER 31, 2020 COMPARED TO THE THREE MONTHS ENDED DECEMBER 31, 2019

Revenues: The Company is inactive and has no revenues.

Expenses and net loss: Expenses for the three months ended December 31, 2020 are \$35,496 an increase of \$22,500 over the amount of \$12,996 for the three months ended December 31, 2019. These amounts are for professional fees, management fees, transfer agent and filing fees and interest. The increase was primarily due to an increase in legal fees related to general corporate matters.

PROPOSED TRANSACTIONS

There are no proposed transactions, except as disclosed in the “Subsequent Events” section.

FINANCIAL INSTRUMENTS

The Company has classified its financial instruments as follows:

<u>Financial Instrument</u>	<u>Classification</u>
Cash	Amortized costs
Accounts payable and accrued liabilities	Amortized costs
Loans payable	Amortized costs

The carrying values of cash, accounts payable and accrued liabilities and loans payable approximate fair values due to the relatively short-term maturities of these instruments.

FINANCIAL RISK MANAGEMENT AND RISK FACTORS

Risk management is the responsibility of management who is of the opinion that the Company is not exposed to financial risks by virtue of its inactivity. The Company is not exposed to currency risk, credit risk or interest rate risk.

Liquidity Risk

Liquidity risk is the risk that the Company will not be able to meet its obligations as they fall due. As at December 31, 2020, the Company has current liabilities of \$178,570 and only \$32 in assets. As a result, the Company is dependent on obtaining additional financing to meet its current obligations.

COVID-19

Since December 31, 2019, the outbreak of the novel strain of coronavirus, specifically identified as “COVID-19”, has resulted in governments worldwide enacting emergency measures to combat the spread of the virus. These measures, which include the implementation of travel bans, self-imposed quarantine periods and social distancing, have caused material disruption to businesses globally resulting in an economic slowdown. Global equity markets have experienced significant volatility and weakness. Governments and central banks have reacted with significant monetary and fiscal interventions designed to stabilize economic conditions. The duration and impact of the COVID-19 outbreak is unknown at this time, as is the efficacy of the government and central bank interventions. It is not possible to reliably estimate the length and severity of these developments and the impact on the successful completion of the contemplated transaction or potential delays in the timing of closing a transaction and condition of the Company in future periods.

CAPITAL RISK MANAGEMENT

The Company considers capital stock and deficit to represent capital. As at December 31, 2020, the Company has a negative capital balance and management's objective is to maintain its ability to continue as a going concern by identifying sources for additional financing for working capital and to fund the development of a business.

The Company is not subject to externally imposed capital requirements and there has been no change with respect to the overall capital risk management strategy during the year ended December 31, 2020.

OFF BALANCE SHEET ACTIVITIES

At December 31, 2020, the Company had no off balance sheet financial commitments and does not anticipate entering into any contracts of such nature other than the addition of new operating leases for equipment and premises as may be required in the normal course of business.

RELATED PARTY TRANSACTIONS

Related parties include the Board of Directors, close family members and entities which are controlled by these individuals as well as certain persons performing similar functions.

Related party transactions conducted in the normal course of operations are measured at the exchange value (the amount established and agreed to by the related parties).

There has been no key management compensation during the years ended December 31, 2020 and 2019.

SUBSEQUENT EVENTS

On February 28, 2021, the Company entered into a definitive agreement with ScreenPro Security Ltd. (“ScreenPro”) related to a reverse-takeover transaction (“Transaction”). Pursuant to the definitive agreement, the parties completed a three-cornered amalgamation whereby a newly incorporated subsidiary of the Company amalgamated with ScreenPro, and the Company acquired all the issued and outstanding ScreenPro shares. The shareholders of ScreenPro received common shares in the Company in exchange for their ScreenPro shares, resulting in a reverse takeover of the Company by ScreenPro shareholders.

The Transaction resulted in an issuance of 262,834,294 common shares of the Company to ScreenPro shareholders and issuance of 2,849,131 share purchase warrants to the ScreenPro warrant-holders. A total of 1,836,397 warrants were exercisable at \$0.03 per share with an expiry date of February 26, 2023 and a total of 1,012,734 warrants were exercisable at \$0.02 per share with an expiry date of November 23, 2022.

On completion of the Transaction, the outstanding loans payable in the amount of \$132,170 at December 31, 2020 were fully forgiven.

On March 26, 2021, the Company completed the acquisition of GoStop Inc. (“GoStop”), a private COVID-19 digital passport services company, by way of a share exchange agreement (“Share Exchange Agreement”) between the Company, GoStop and GoStop shareholders. Pursuant to the terms of the Share Exchange Agreement:

- The Company acquired all the issued and outstanding common shares of GoStop from the GoStop shareholders for an aggregate purchase price of \$4 million satisfied through the issuance of 40 million units of the Company.
- Each unit was issued at a deemed value of \$0.10 and consists of one common share of the Company and one-half of one warrant. Each warrant is exercisable to purchase one common share at a price of \$0.15 per share until September 26, 2022.

On April 20, 2021, the Company issued 632,181 common shares of the Company upon exercise of share purchase warrants for total proceeds of \$39,590.

CRITICAL ACCOUNTING POLICIES AND ESTIMATES

As at the date of the MD&A, there have been no changes in the Company's accounting policies except as disclosed below and the Company has not provided any forward-looking statements or estimates related to future operations other than as described below.

CONTROLS AND PROCEDURES

Management is responsible for the design of internal controls over financial reporting to provide reasonable assurance regarding the reliability of financial reporting and the preparation of the financial statements in accordance with IFRS. Based on a review of its internal control procedures at the end of the period covered by this MD&A, management believes its internal controls and procedures, for the nature and size of the entity, are effective in providing reasonable assurance that financial information is recorded, processed, summarized and reported in a timely manner.

Management is also responsible for the design and effectiveness of disclosure controls and procedures to provide reasonable assurance that material information related to the Company, is made known to the Company's certifying officers. Management has evaluated the effectiveness of the Company's disclosure controls and procedures and has concluded that these controls and procedures are effective, for the nature and size of the entity, in providing reasonable assurance that material information relating to the Company is made known to them by others within the Company.

OUTSTANDING SHARE DATA

Common shares

As at December 31, 2020, the Company had 48,982,084 common shares issued and outstanding. As of the date of this report, as a result of the Transaction with ScreenPro and the acquisition of GoStop, the Company had 379,448,559 common shares issued and outstanding.

Stock options and share purchase warrants

As at the date of this report, there were 1,316,742 warrants outstanding with an exercise price of \$0.03 per share expiring on February 26, 2023, 900,208 warrants outstanding with an exercise price of \$0.02 per share expiring on November 23, 2022, and 20,000,000 warrants with an exercise price of \$0.15 per share expiring on September 26, 2022.

OFFICERS AND DIRECTORS OF THE COMPANY

As at the date of this report, the officers and directors of the Company include:

John McMullen – CEO and President

Paul Haber - CFO

Lena Kozovski – VP of Operations

Richard Yoon – Director

Young Cho Lee – Director

James Hyland - Director

Additional Information

Additional information relating to the Company is available on the Internet at the SEDAR website at www.sedar.com