

EAT BEYOND GLOBAL HOLDINGS INC.

FINANCIAL STATEMENTS
(Expressed in Canadian dollars)

FOR THE YEAR ENDED DECEMBER 31, 2020

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of
Eat Beyond Global Holdings Inc.

Opinion

We have audited the accompanying financial statements of Eat Beyond Global Holdings Inc. (the "Company"), which comprise the statements of financial position as at December 31, 2020 and 2019 and the statements of loss and comprehensive loss, changes in shareholders' equity, and cash flows for the year ended December 31, 2020 and the period from incorporation on September 9, 2019 to December 31, 2019, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the Company as at December 31, 2020 and 2019, and its financial performance and its cash flows for the year ended December 31, 2020 and the period from incorporation on September 9, 2019 to December 31, 2019 in accordance with International Financial Reporting Standards ("IFRS").

Basis for Opinion

We conducted our audits 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 Financial Statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained in our audits is sufficient and appropriate to provide a basis for our opinion.

Material Uncertainty Related to Going Concern

We draw attention to Note 1 of the financial statements, which indicates that as at December 31, 2020, the Company is not able to finance day to day activities through its operations and has an accumulated deficit of \$2,004,102. As stated in Note 1, these events and conditions indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Other Information

Management is responsible for the other information. The other information obtained at the date of this auditor's report includes Management's Discussion and Analysis.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.



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

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

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

In preparing the financial statements, management is responsible for assessing the Company'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 Company or to cease operations, or has no realistic alternative but to do so.

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the 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 financial statements.

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 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 control 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 Company's internal control.
- 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 Company'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 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 Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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 Catherine Tai.

A handwritten signature in black ink that reads "Davidson & Company LLP". The signature is written in a cursive, flowing style.

Vancouver, Canada

Chartered Professional Accountants

April 29, 2021

EAT BEYOND GLOBAL HOLDINGS INC.

Statements of Financial Position

(Expressed in Canadian Dollars)

	December 31, 2020	December 31, 2019
ASSETS		
Current		
Cash	\$ 1,092,156	\$ 132,513
Prepaid expenses	71,229	-
Marketable securities (Note 3)	1,654,335	-
Convertible notes receivables (Note 3)	403,553	-
	\$ 3,221,273	\$ 132,513
LIABILITIES		
Current		
Accounts payable and accrued liabilities (Note 4)	\$ 105,814	\$ -
SHAREHOLDERS' EQUITY		
Share capital (Note 6)	3,296,142	-
Reserves	1,823,419	-
Share subscriptions received	-	177,025
Deficit	(2,004,102)	(44,512)
	3,115,459	132,513
	\$ 3,221,273	\$ 132,513

Nature of operations and going concern (Note 1)**Subsequent events (Notes 6 and 10)****These financial statements were approved by the Board of Directors on April 29, 2021***"Alexander Somjen"**Alexander Somjen, Director**"Ravinder Kang"**Ravinder Kang, Director*

EAT BEYOND GLOBAL HOLDINGS INC.

Statements of Loss and Comprehensive Loss

(Expressed in Canadian Dollars)

	For the year ended December 31, 2020	From Incorporation on September 9, 2019 to December 31, 2019
Investment income		
Interest earned	\$ 8,588	\$ -
Realized gain on disposition of marketable securities (Note 3)	562,970	-
Gain on fair value of marketable securities	896,153	-
Total investment income	1,467,711	-
Operating expenses		
Consulting fees (Note 5)	763,983	15,000
Foreign exchange (loss)	7,007	-
Listing and transfer agent fees	33,529	-
Marketing and promotion	573,928	29,400
Office and administration	13,152	112
Professional fees	264,528	-
Share-based payments (Notes 5 and 6)	1,765,760	-
Travel	5,414	-
	3,427,301	44,512
Net loss and comprehensive loss for the period	\$ (1,959,590)	\$ (44,512)
Basic and diluted loss per share	\$ (0.14)	\$ (44,512)
Weighted average number of common shares outstanding	13,978,408	1

EAT BEYOND GLOBAL HOLDINGS INC.
Statements of Changes in Shareholders' Equity
(Expressed in Canadian Dollars)

	Number of Shares	Capital Stock	Special Warrants	Share Subscriptions Received	Reserve	Deficit	Total Shareholders' Equity
Balance, September 9, 2019	1	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Share subscriptions received	-	-	-	177,025	-	-	177,025
Net loss for the period	-	-	-	-	-	(44,512)	(44,512)
Balance, December 31, 2019	1	-	-	177,025	-	(44,512)	132,513
Incorporator share returned to treasury	(1)	-	-	-	-	-	-
Private placement	15,518,510	1,768,255	-	(177,025)	-	-	1,591,230
Special warrants issued for cash	-	-	1,693,930	-	-	-	1,693,930
Conversion of special warrants	3,614,840	1,693,930	(1,693,930)	-	-	-	-
Share issue cost – cash	-	(184,505)	-	-	-	-	(184,505)
Agent's warrants	-	(83,100)	-	-	83,100	-	-
Exercise of share purchase warrants	646,567	101,562	-	-	(25,441)	-	76,121
Share-based payments	-	-	-	-	1,765,760	-	1,765,760
Net loss for the year	-	-	-	-	-	(1,959,590)	(1,959,590)
Balance, December 31, 2020	19,779,917	\$ 3,296,142	\$ -	\$ -	\$ 1,823,419	\$ (2,004,102)	\$ 3,115,459

EAT BEYOND GLOBAL HOLDINGS INC.

Statements of Cash Flows

(Expressed in Canadian Dollars)

	For the year ended December 31, 2020	From Incorporation on September 9, 2019 to December 31, 2019
Operating Activities		
Net loss for the period	\$ (1,959,590)	\$ (44,512)
Items not affecting cash:		
Interest receivable	(8,563)	-
Share-based payments	1,765,760	-
Gain on fair value of marketable securities	(896,153)	-
Realized gain on disposal of marketable securities	(562,970)	-
Changes in non-cash working capital items related to operations:		
Prepaid expenses	(71,229)	-
Accounts payable and accrued liabilities	93,814	-
Cash used in operating activities	(1,638,931)	(44,512)
Investing Activities		
Proceeds on sale of marketable securities	754,920	-
Convertible notes receivable	(394,990)	-
Marketable securities	(950,132)	-
Cash used in investing activities	(590,202)	-
Financing Activities		
Shares issued for cash	3,361,281	-
Share issue costs	(172,505)	-
Share subscriptions received	-	177,025
Cash provided by financing activities	3,188,776	177,025
Change in cash during the period	959,643	132,513
Cash and cash equivalents, beginning of period	132,513	-
Cash and cash equivalents, end of the period	\$ 1,092,156	\$ 132,513
Supplemental Disclosure of Cash Flow Information:		
Cash paid during the period:		
Interest	\$ -	\$ -
Income taxes	\$ -	\$ -
Non-cash Transactions		
Share issue costs included in accounts payable and accrued liabilities	\$ 12,000	\$ -
Cash and cash equivalents consist of:		
Cash	\$ 305,100	\$ 1,113
Funds in brokerage account	754,945	-
Funds held in a trust	32,111	131,400
Cash and cash equivalents	\$ 1,092,156	\$ 132,513

EAT BEYOND GLOBAL HOLDINGS INC.

Notes to the financial statements

December 31, 2020

(Expressed in Canadian dollars)

1. NATURE OF OPERATIONS AND GOING CONCERN

Eat Beyond Global Holdings Inc. (the "Company") was incorporated on September 9, 2019 under the laws of the Province of British Columbia, Canada by a Certificate of Incorporation issued pursuant to the provisions of the Business Corporations Act (British Columbia) and changed its name from 1222554 B.C. Ltd. to Eat Beyond Global Holdings Inc. on September 17, 2019. The Company's head office and principal address is Suite 1570 – 505 Burrard Street, Vancouver BC, V7X 1M5. The registered and records office is 1500-1055 West Georgia Street, Vancouver, BC, V6E 4N7.

On November 16, 2020, the Company shares were approved for listing on the Canadian Securities Exchange and is classified as an investment issuer and commenced trading on November 17, 2020 under the trading symbol ("EATS").

The Company's primarily focus is on investments in the plant-based protein and meat alternative food industry. The Company's investments may include the acquisition of equity, debt or other securities of publicly traded or private companies or other entities, financing in exchange for pre-determined royalties or distributions and the acquisition of all or part of one or more businesses, portfolios or other assets, in each case that the Company believes will enhance value for the shareholders of the Company in the long term.

These financial statements have been prepared on a going concern basis which assumes that the Company will be able to realize its assets and discharge its liabilities in the normal course of business for the foreseeable future. As at December 31, 2020, the Company is not able to finance day to day activities through operations and has an accumulated deficit of \$2,004,102. The continuing operations of the Company are dependent upon its ability to develop a viable business and to attain profitable operations.

In March 2020, the World Health Organization declared coronavirus COVID-19 a global pandemic. This contagious disease outbreak, which has continued to spread, and any related adverse public health developments, has adversely affected workforces, economies, and financial markets globally, potentially leading to an economic downturn. It is not possible for the Company to predict the duration or magnitude of the adverse results of the outbreak and its effects on the Company's business or results of operations at this time.

These conditions indicate the existence of a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern. Management intends to finance operating costs through the issuance of common shares. If the Company is unable to continue as a going concern, the net realizable value of its assets may be materially less than the amounts on its statement of financial position.

EAT BEYOND GLOBAL HOLDINGS INC.

Notes to the financial statements

December 31, 2020

(Expressed in Canadian dollars)

2. SUMMARY SIGNIFICANT ACCOUNTING POLICIES

Basis of preparation

Statement of compliance

The financial statements of the Company 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"). The financial statements were authorized for issued by the board of directors of the Company on April 29, 2021.

Basis of measurement

These financial statements have been prepared on a historical cost basis, except for financial instruments measured at fair value. In addition, these financial statements have been prepared using the accrual basis of accounting except for cash flow information. The financial statements are presented in Canadian dollars, unless otherwise noted.

Significant estimates and assumptions

The preparation of financial statements in accordance with IFRS requires the Company to make estimates and assumptions concerning the future. The Company's management reviews these estimates and underlying assumptions on an ongoing basis, based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Revisions to estimates are adjusted for prospectively in the period in which the estimates are revised.

Estimates and assumptions where there is significant risk of material adjustments to assets and liabilities in future accounting periods include the fair value measurements for financial instruments and the recoverability and measurement of deferred tax assets and liabilities.

Significant judgements

The preparation of financial statements in accordance with IFRS requires the Company to make judgments, apart from those involving estimates, in applying accounting policies. The most significant judgments in applying the Company's financial statements include:

- the assessment of the Company's ability to continue as a going concern and whether there are events or conditions that may give rise to significant uncertainty; and
- the classification of financial instruments.

Significant estimates and assumptions

The preparation of financial statements in accordance with IFRS requires the Company to make judgments, apart from those involving estimates, in applying accounting policies. The most significant estimates and assumptions in applying the Company's financial statements include:

- Fair value of private company investments – Where the fair values of investments in private companies recorded on the statement of financial position cannot be derived from active markets, they are determined using a variety of valuation techniques. The inputs to these models are derived from observable market data where possible, but where observable market data is not available, judgement is required to establish fair value and this value may not be indicative of recoverable value;

EAT BEYOND GLOBAL HOLDINGS INC.

Notes to the financial statements

December 31, 2020

(Expressed in Canadian dollars)

2. SUMMARY SIGNIFICANT ACCOUNTING (continued)

Significant estimates and assumptions (continued)

- Recoverability and measurement of deferred tax assets – In assessing the probability of realizing income tax assets, management makes estimates related to expectations of future taxable income, applicable tax opportunities, expected timing of reversals of existing temporary differences and the likelihood that tax positions taken will be sustained upon examination by applicable tax authorities. In making its assessments, management gives additional weight to positive and negative evidence that can be objectively verified.

Estimates of future taxable income are based on forecasted cash flows from operations and the application of existing tax laws in each jurisdiction. Weight is attached to tax planning opportunities that are within the Company's control and are feasible and implementable without significant obstacles. The likelihood that tax positions taken will be sustained upon examination by applicable tax authorities is assessed based on individual facts and circumstances of the relevant tax position evaluated in light of all available evidence. Where applicable tax laws and regulations are either unclear or subject to ongoing varying interpretations, it is reasonably possible that changes in these estimates can occur that materially affect the amounts of income tax assets recognized. At the end of each reporting year, the Company reassesses unrecognized income tax assets; and

- Valuation of share-based payments – the Company uses the Black-Scholes Option Pricing Model for valuation of share-based payments and derivative financial assets (e.g. investments in warrants). Option price models require the input of subjective assumptions including expected price volatility, interest rates and forfeiture rates. Changes in the input assumptions can materially affect the fair value estimate and the Company's earnings and equity reserves.

Accounting policies

The accounting policies set out below have been applied consistently to all years presented in these financial statements unless otherwise indicated.

Cash and cash equivalents

Cash is comprised of cash on hand and cash held in trust accounts. Cash equivalents are short-term, highly liquid investments with maturities within three months when acquired. As at December 31, 2020, the Company had funds held in trust of \$32,111 (2019 - \$131,400).

Financial instruments

Financial instruments are accounted for in accordance with IFRS 9, "Financial Instruments: Classification and Measurement". A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

EAT BEYOND GLOBAL HOLDINGS INC.

Notes to the financial statements

December 31, 2020

(Expressed in Canadian dollars)

2. SUMMARY SIGNIFICANT ACCOUNTING (continued)

Financial instruments (continued)

Financial assets

On initial recognition, financial assets are recognized at fair value and are subsequently classified and measured at: (i) amortized cost; (ii) fair value through other comprehensive income ("FVTOCI"); or (iii) fair value through profit or loss ("FVTPL"). The classification of financial assets is generally based on the business model in which a financial asset is managed and its contractual cash flow characteristics. A financial asset is measured at fair value net of transaction costs that are directly attributable to its acquisition except for financial assets at FVTPL where transaction costs are expensed. All financial assets not classified and measured at amortized cost or FVTOCI are measured at FVTPL. On initial recognition of an equity instrument that is not held for trading, the Company may irrevocably elect to present subsequent changes in the investment's fair value in other comprehensive income.

The Company derecognizes financial assets only when the contractual rights to cash flows from the financial assets expire, or when it transfers the financial assets and substantially all of the associated risks and rewards of ownership

The classification determines the method by which the financial assets are carried on the statement of financial position subsequent to inception and how changes in value are recorded. Marketable securities and convertible loan receivable are measured at FVTPL. Cash and receivables are measured at amortized cost.

Impairment of financial assets

IFRS 9 uses the expected credit loss ("ECL") model. The credit loss model groups receivables based on similar credit risk characteristics and days past due in order to estimate bad debts. The ECL model applies to the Company's receivables.

Impairment

An 'expected credit loss' impairment model requires a loss allowance to be recognized based on expected credit losses. The estimated present value of future cash flows associated with the asset is determined and an impairment loss is recognized for the difference between this amount and the carrying amount as follows: the carrying amount of the asset is reduced to estimated present value of the future cash flows associated with the asset, discounted at the financial asset's original effective interest rate, either directly or through the use of an allowance account and the resulting loss is recognized in profit or loss for the period.

In subsequent periods, if the amount of the impairment loss related to financial assets measured at amortized cost decreases, the previously recognized impairment loss is reversed through profit or loss to the extent that the carrying amount of the investment at the date the impairment is reversed does not exceed what the amortized cost would have been had the impairment not been recognized.

Financial liabilities

Financial liabilities are designated as either: (i) fair value through profit or loss; or (ii) amortized cost. All financial liabilities are classified and subsequently measured at amortized cost except for financial liabilities at FVTPL. The classification determines the method by which the financial liabilities are carried on the statement of financial position subsequent to inception and how changes in value are recorded. Trade payables are classified as and carried on the statement of financial position at amortized cost.

EAT BEYOND GLOBAL HOLDINGS INC.

Notes to the financial statements

December 31, 2020

(Expressed in Canadian dollars)

2. SUMMARY SIGNIFICANT ACCOUNTING (continued)

Financial instruments (continued)

Financial liabilities – (continued)

The Company derecognizes a financial liability when its contractual obligations are discharged or cancelled, or expire. The Company also derecognizes a financial liability when the terms of the liability are modified such that the terms and/or cash flows of the modified instrument are substantially different, in which case a new financial liability based on the modified terms is recognized at fair value. Gains and losses on derecognition are generally recognized in profit and loss.

Convertible loan receivable

The determination of fair value of the Company's convertible notes receivable - Financial information for private companies in which the Company has investments may not be available and, even if available, that information may be limited and/or unreliable.

Use of the valuation approach described below may involve uncertainties and determinations based on the Company's judgment and any value estimated from these techniques may not be realized or realizable.

Company-specific information is considered when determining whether the fair value of a convertible notes receivable should be adjusted upward or downward at the end of each reporting period. In addition to company-specific information, the Company will take into account trends in general market conditions and the share performance of comparable publicly-traded companies when valuing long-term investments and convertible notes receivable.

The fair value of convertible notes receivable may be adjusted if:

- There has been a significant subsequent equity financing provided by outside investors at a valuation different than the current value of the investee company, in which case the fair value of the investment is set to the value at which that financing took place;
- There have been significant corporate, political, or operating events affecting the investee company that, in management's opinion, have a material impact on the investee company's prospects and therefore its fair value. In these circumstances, the adjustment to the fair value of the investment will be based on management's judgment and any value estimated may not be realized or realizable;
- The investee company is placed into receivership or bankruptcy;
- Based on financial information received from the investee company, it is apparent to the Company that the investee company is unlikely to be able to continue as a going concern;
- Important positive/negative management changes by the investee company that the Company's management believes will have a positive/negative impact on the investee company's ability to achieve its objectives and build value for shareholders.

Adjustment to the fair value of a convertible notes receivable will be based upon management's judgment and any value estimated may not be realized or realizable. The resulting values for non-publicly traded investments may differ from values that would be realized if a ready market existed.

EAT BEYOND GLOBAL HOLDINGS INC.

Notes to the financial statements

December 31, 2020

(Expressed in Canadian dollars)

2. SUMMARY SIGNIFICANT ACCOUNTING (continued)

Financial instruments (continued)

Convertible loan receivable (continued)

The determination of the fair value of the Company's convertible debentures – Fair value is determined using the quoted price in the over-the-counter broker market. As the convertible debentures are classified as FVTPL, the subsequent interest as well as change in the fair value will flow through the statement of loss and comprehensive loss. There is judgement in assessing what portion of the gain/loss, if any, relates to the change in the Company's own risk.

Loss per share

Basic loss per share is calculated by dividing net loss by the weighted average number of common shares outstanding during the period. Diluted loss per share is determined by adjusting net loss and the weighted average number of common shares outstanding for the effects of dilutive instruments such as options granted to employees and warrants outstanding. The weighted average number of diluted shares is calculated in accordance with the treasury stock method. The treasury stock method assumes that the proceeds received from the exercise of all potentially dilutive instruments are used to repurchase common shares at the average market price during the period.

Income taxes

Income tax expense comprises current and deferred tax. Income tax is recognized in the statement of loss and comprehensive loss, except to the extent that it relates to items recognized in other comprehensive loss or directly in equity. In this case the income tax is also recognized in other comprehensive loss or directly in equity, respectively.

Current income tax

Current income tax assets and liabilities for the current period are measured at the amount expected to be recovered from or paid to taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date, in the countries where the Company operates and generates taxable income. Current income tax relating to items recognized directly in other comprehensive income or equity is recognized in other comprehensive income or equity and not in profit or loss. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred tax

Deferred tax is recognized on temporary differences at the reporting date arising between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes. The carrying amount of deferred tax assets is reviewed at the end of each reporting period and recognized only to the extent that it is probable that future taxable income will be available to allow all or part of the temporary differences 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, based on tax rates (and tax laws) that have been enacted or substantively enacted and are expected to apply by the end of the reporting period. Deferred tax assets and deferred income tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current income tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

EAT BEYOND GLOBAL HOLDINGS INC.

Notes to the financial statements

December 31, 2020

(Expressed in Canadian dollars)

2. SUMMARY SIGNIFICANT ACCOUNTING (continued)

Share capital

Common shares issued by the Company are classified as equity. Costs directly attributable to the issue of common shares, share purchase warrants and share options are recognized as deduction from equity, net any related income tax effects.

Warrants issued in equity financing transactions

The Company engages in equity financing transactions to obtain the funds necessary to continue operations. These equity financing transactions may involve issuance of common shares or units. A unit comprises a certain number of common shares and a certain number of share purchase warrants. Depending on the terms and conditions of each equity financing agreement, the warrants are exercisable into additional common shares prior to expiry at a price stipulated by the agreement. Warrants that are part of units are valued based on the residual value method and included in share capital with the common shares that were concurrently issued. Warrants that are issued as payment for an agency fee or other compensatory transactions costs are accounted for as share-based payments.

Related party transactions

Parties are considered to be related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions. Parties are also considered to be related if they are subject to common control, and related parties may be individuals, including immediate family members of the individual, or corporate entities, including the Company's wholly-owned subsidiaries. A transaction is considered to be a related party transaction when there is a transfer of resources or obligations between related parties.

Accounting standards and interpretations issued but not yet adopted

Certain pronouncements issued by the IASB or IFRIC that are effective for accounting periods beginning on or after January 1, 2021 are either not applicable or are not expected to have a significant impact on the Company's financial statements. These updates are not applicable or consequential to the Company and have been omitted from discussion herein.

EAT BEYOND GLOBAL HOLDINGS INC.

Notes to the financial statements

December 31, 2020

(Expressed in Canadian dollars)

3. INVESTMENTS

Marketable securities

Marketable securities are fair valued at the end of each reporting period. The fair values of the common shares of the publicly traded companies have been directly referenced to published price quotations in an active market. The fair value of investments in private companies is referenced to the most recent equity financing completed by each private company. The investments in unlisted warrants of companies that are publicly traded are valued using the Black-Scholes option pricing model, with the following assumptions: risk-free rate of 0.20%; volatility of 125.71%, expected life of warrant 0.67 years and dividend yield of 0%. The carrying values are marked to market and the resulting gain or loss from marketable securities are recorded against earnings. A continuity of the Company's marketable securities is as follows:

Investment in marketable securities	Number of shares/Units Held	Investment Cost	Fair Value at December 31, 2020	Fair Value at December 31, 2019
	#	\$	\$	\$
Public Companies		-	-	-
Greenspace Brands Inc.	3,873,846	251,800	290,538	-
The Very Good Food Company Inc.	25,000	6,250	155,250	-
Good Nature Products Inc.	714,286	100,000	642,857	-
Private Companies				
TurtleTree Labs Pte. Ltd.	NA	200,205	200,205	-
Eat Just Inc.	7,998	113,870	113,870	-
Investment in warrants	NA	-	251,615	-
Total		672,125	1,654,335	-

During the year ended December 31, 2020, the Company sold some of its marketable securities for total proceeds of \$754,920 and realized a gain of \$562,970.

Convertible note receivables

On September 29, 2020, the Company loaned \$250,000 through a convertible note ("Note") to Nabati Foods Inc. ("Nabati"). The Note earns interest at 10% per annum, payable annually, with a five-year maturity. At any time prior to maturity, the Company has the right to convert all or any portion of the Note into fully paid and non-assessable Class A voting shares of Nabati. As at December 31, 2020, the Company determined that the expected cash flow of the note and accrued interest approximates the fair value of the note.

On September 18, 2020, the Company loaned \$144,989 (US\$113,878) through a convertible note in SingCell TX Pte Ltd. ("SingCell"). The Note earns interest at 5% per annum with a maturity date of September 16, 2023. Interest is payable on the maturity date. The Note will automatically convert into fully paid senior shares at the conversion price based on certain events. As at December 31, 2020, the Company determined that the expected cash flow of the note and accrued interest approximates the fair value of the note.

EAT BEYOND GLOBAL HOLDINGS INC.

Notes to the financial statements

December 31, 2020

(Expressed in Canadian dollars)

4. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	December 31, 2020	December 31, 2019
	\$	\$
Accounts payable	88,012	-
Accrued liabilities	17,802	-
	105,814	-

5. RELATED PARTY TRANSACTIONS

Key management compensation

Key management personnel include those persons having authority and responsibility for planning, directing and controlling the activities of the Company as a whole. The Company has determined that key management personnel consist of members of the Company's Board of Directors and corporate officers. The Company entered into the following transactions with related parties during the year ended December 31, 2020 and for the period December 31, 2019.

	December 31, 2020	December 31, 2019
	\$	\$
Consulting fees paid to a company controlled by CEO	37,275	-
Consulting fees paid to a company controlled by a former Director	-	15,000
Consulting fees paid to a company controlled by CFO	4,200	-
	41,475	15,000
Share-based payments to officers and directors of the Company	961,000	-
	1,002,475	15,000

Consulting fees are recognized in the statement of loss and comprehensive loss. As at December 31, 2020, there were no amounts due to related parties.

6. SHARE CAPITAL

Authorized share capital

Unlimited number of common shares without par value

Common shares

During the year ended December 31, 2020:

On February 5, 2020, the Company issued 5,000,000 units at \$0.005 per unit for gross proceeds of \$25,000, of which 500,000 units were issued to a company controlled by a director. Each unit is comprised of one common share and one common share purchase warrant. Each warrant will entitle the holder to purchase one common share of the Company at \$0.05 per share for a period of 24 months from the date of issuance. \$10,000 of the gross proceeds was included in share subscription received in December 31, 2019.

EAT BEYOND GLOBAL HOLDINGS INC.

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6. SHARE CAPITAL (continued)

Common shares (continued)

On February 13, 2020, the Company issued 7,325,000 units at \$0.02 per share for gross proceeds of \$146,500, of which 475,000 units were issued to a company controlled by a director. Each unit is comprised of one common share and one common share purchase warrant. Each warrant will entitle the holder to purchase one common share of the Company at \$0.05 per share for a period of 24 months from the date of issuance. \$67,025 of the gross proceeds was included in share subscription received in December 31, 2019.

On March 18, 2020, the Company issued 2,693,510 common shares ("Shares") at \$0.50 per share for gross proceeds of \$1,346,755. The Company incurred \$87,273 of cash finders' fees and issued 174,545 finders' warrants with a fair value of \$45,700. Each finders' warrant entitles the holders to acquire one common share at an exercise price of \$0.50 for two years from the grant date. \$100,000 of the gross proceeds was included in share subscription received in December 31, 2019.

On April 23, 2020, the Company issued 500,000 common shares ("Shares") at \$0.50 per share for gross proceeds of \$250,000. The Company incurred \$17,500 of cash finders' fees and issued 35,000 finders' warrants with a fair value of \$9,100. Each finders' warrant entitles the holders to acquire one common share at an exercise price of \$0.50 for two years from the grant date.

During the year ended December 31, 2020, 646,567 share purchase warrants were exercised for total proceeds of \$76,121. The Company transferred \$25,441 from reserves as 97,317 share purchase warrants were agent's warrants.

Special warrants

On March 17, 2020, the Company issued 252,200 Special Warrants at \$0.05 per Special Warrant for total gross proceeds of \$12,610. Each Special Warrant will entitle the holder to receive one common share of the Company at no additional consideration on the exercise or deemed exercise of each Special Warrant. On July 18, 2020, the Company issued 252,200 common shares on conversion of the Special Warrants.

On August 12, 2020, the Company issued 3,362,640 Special Warrants at \$0.50 per Special Warrant for gross proceeds of \$1,681,320. The Company incurred \$45,732 of cash finders' fees and issued 108,614 finders' warrants with a fair value of \$28,300. Each finders' warrant entitles the holders to acquire one common share at an exercise price of \$0.50 for two years from the grant date. Each Special Warrant will entitle the holder to receive one common share of the Company at no additional consideration on the exercise or deemed exercise of each Special Warrant. On November 17, 2020, the Company issued 3,362,640 common shares on conversion of the Special Warrants. The Company also incurred \$34,000 in legal fees as share issue cost.

EAT BEYOND GLOBAL HOLDINGS INC.

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6. SHARE CAPITAL (continued)*Common shares (continued)**Share Purchase Warrants*

The following is a summary of the Company's share purchase warrants for the year ended December 31, 2020 and for the period ended December 31, 2019:

	Number of warrants	Weighted average exercise price
		\$
Balance, September 9, 2019 and December 31, 2019	-	-
Issued	12,643,159	0.06
Exercised	(646,567)	0.12
Balance, December 31, 2020	11,996,592	0.06

As at December 31, 2020, the Company had the following share purchase warrants outstanding:

Date of expiry	Exercise price	Number of warrants	Weighted average life (years)
	\$		
February 5, 2022	0.05	5,000,000	1.10
February 13, 2022	0.05	6,775,750	1.12
March 18, 2022	0.50	107,765	1.21
April 23, 2022	0.50	35,000	1.31
August 12, 2022	0.50	78,077	1.61
	0.06	11,996,592	1.12

Subsequent to December 31, 2020, 10,875,290 share purchase warrants were exercised for total proceeds of \$588,558.

The fair value of the share purchase warrants issued to Agent's for the year ended December 31, 2020 was estimated using the Black-Scholes Option Pricing Model with the following assumptions:

	December 31, 2020
Risk-free interest rate	0.29% - 0.69%
Estimated life (years)	2
Expected volatility	100%
Expected dividend yield	0%
Forfeiture rate	0%

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6. SHARE CAPITAL (continued)

Stock Options

On May 22, 2020, the Company adopted a stock option plan under which it is authorized to grant options to officers, directors, employees and consultants enabling them to acquire up to 15% of the issued and outstanding common shares of the Company. The options term and vesting conditions are determined by the Board of Directors. The exercise price of each option granted may not be less than the fair market value of the common shares.

On November 17, 2020, the Company granted 2,710,000 stock options to directors and officers of the Company and consultants. These stock options vested at the date of grant. The stock options entitle the holders thereof the right to purchase one common share for each option at \$0.50 per share expiring on November 17, 2025. The fair value of the stock options of \$1,680,200 was determined using the Black Scholes option valuation model with the following assumptions – Share price on date of grant of \$0.78; Risk-free interest rate of 0.45%; Dividend yield of 0%; Expected life of 5 years; forfeiture rate of 0% and Expected volatility of 100%. Since the Company does not have enough history of trading prices, the Company utilized annualized volatility of comparable start-up companies.

On November 25, 2020, the Company granted 100,000 stock options to a consultant that vested at the date of grant. The stock options entitle the holders thereof the right to purchase one common share for each option at \$0.71 per share expiring on November 25, 2025. The fair value of the stock options of \$55,423 was determined using the Black Scholes option valuation model with the following assumptions – Share price on date of grant of \$0.71; Risk-free interest rate of 0.45%; Dividend yield of 0%; Expected life of 5 years; forfeiture rate of 0% and Expected volatility of 100%. Since the Company does not have enough history of trading prices, the Company utilized annualized volatility of comparable start-up companies.

The changes in stock options were as follows:

	December 31, 2020	Weighted Average Exercise Price	December 31, 2019	Weighted Average Exercise Price
Balance, beginning of period	-	-	-	-
Issued	2,810,000	\$0.51	-	-
Balance, end of period	2,810,000	\$0.51	-	-

As at December 31, 2020, the Company had 2,810,000 stock options outstanding as follows:

Number of Stock Options	Exercisable	Exercise Price	Expiry Date
2,710,000	2,710,000	\$0.50	November 17, 2025
100,000	100,000	\$0.71	November 25, 2025
2,810,000	2,810,000		

Subsequent to December 31, 2020, 1,788,000 stock options were exercised for total proceeds of \$894,000.

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6. SHARE CAPITAL (continued)

Restricted Share Unit Plan

On November 17, 2020, the Company adopted a Restricted Share Unit Plan ("RSU Plan") whereby the maximum number of common shares reserved for issue under the RSU Plan shall not exceed 25% of the issued and outstanding common shares of the Company. In addition, the aggregate number of common shares issuable pursuant to the RSU Plan combined with all of the Company's other security based compensation arrangements, including the Company's Stock Option Plan, shall not exceed 25% of the Company's outstanding common shares.

On November 17, 2020, the Company granted 500,000 RSU. The granted RSU shall vest 1/2 six months from listing and 1/2 at twelve months from listing. During December 31, 2020, the Company recognized \$30,137 as share-based payment and, as the Company intends to settle the RSU through equity settlement, recorded a corresponding credit to reserve.

During the year ended December 31, 2020, the Company recorded \$1,765,760 (2019 - \$nil) in share-based payments with respect to the vesting of the stock options and RSU's.

7. CAPITAL MANAGEMENT

The Company's objectives when managing capital are to safeguard its ability to continue as a going concern in order to pursue its operations and to maintain a flexible capital structure, which optimizes the costs of capital at an acceptable risk. The Company considers its capital for this purpose to be its shareholders' equity.

The Company's primary source of capital is through the issuance of equity. The Company manages and adjusts its capital structure when changes in economic conditions occur. To maintain or adjust the capital structure, the Company may seek additional funding. The Company may require additional capital resources to meet its administrative overhead expenses in the long term. The Company believes it will be able to raise capital as required in the long term but recognizes there will be risks involved that may be beyond its control. There are no external restrictions on the management of capital.

8. FINANCIAL INSTRUMENTS

The Company thoroughly examines the various financial instrument risks to which it is exposed and assesses the impact and likelihood of those risks. These risks may include interest rate risk, credit risk, liquidity risk, and currency risk and price risk. Fair value measurements of financial instruments are required to be classified using a fair value hierarchy that reflects the significance of inputs in making the measurements. The levels of the fair value hierarchy are defined as follows:

Level 1 – Quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly;

Level 3 – Inputs for the asset or liability that are not based on observable market data.

Marketable securities are classified as fair value through profit or loss and measured at fair value using level 1 inputs. Convertible loan receivables are measured at fair value using level 2 inputs. The Company's investment in warrants are measured at fair value using Level 2 inputs. The fair values of other financial instruments, which include cash, accounts payable and accrued liabilities approximate their carrying values due to the relatively short-term nature of these instruments.

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8. FINANCIAL INSTRUMENTS (continued)

- a) Interest rate risk: Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in market interest rates.
- b) Credit risk: Credit risk is the risk of potential loss to the Company if the counterparty to a financial instrument fails to meet its contractual obligations. The Company's credit risk is primarily attributable to its liquid financial assets including cash, which is held with a high-credit financial institution. As such, the Company's credit exposure is minimal.
- c) Liquidity risk: Liquidity risk arises from the excess of financial obligations over available financial assets due at any point in time. The Company's objective in managing liquidity risk is to maintain sufficient readily available reserves in order to meet its liquidity requirements. The Company addresses its liquidity through equity financing obtained through the sale of common shares. While the Company has been successful in securing financings in the past, there is no assurance that it will be able to do so in the future.
- d) 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. The Company has minimal exposure to foreign currency transactions during the year ended December 31, 2020 and accordingly the risk is considered low.
- e) Price risk: Equity price risk is the risk of potential loss to the Company's earnings due to movements in individual equity prices or general movements in the level of the stock market. As at December 31 2020, the Company's marketable securities of \$1,654,335, are subject to fair value fluctuations. If the fair value of the Company's marketable securities had decreased/increased by 10% with all other variables held constant, loss and comprehensive loss for the year ending December 31, 2020 would have been approximately \$165,000 higher/lower.

9. INCOME TAXES

A reconciliation of the Company's expected income tax recovery to actual income tax recovery is as follows:

	For the year ended December 31, 2020	From Incorporation on September 9, 2019 to December 31, 2019
	\$	\$
Loss before income taxes	(1,959,590)	(44,512)
Statutory income tax rates	27%	27%
Computed income tax recovery	(529,000)	(12,000)
Change in statutory, foreign tax, foreign exchange rates and other	23,000	
Share issue costs	(50,000)	-
Permanent difference	325,000	
Change in unrecognized deductible temporary differences	231,000	12,000
Income tax recovery	-	-

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(Expressed in Canadian dollars)

9. INCOME TAXES (continued)

The significant components of the Company's deferred tax assets and liabilities are as follows:

	For the year ended December 31, 2020	From Incorporation on September 9, 2019 to December 31, 2019
	\$	\$
Deferred tax assets:		
Share issuance costs	40,000	-
Marketable securities	(265,000)	-
Non-capital losses	468,000	12,000
	243,000	12,000
Unrecognized deferred tax assets	(243,000)	(12,000)
		-

The significant components of the Company's temporary differences, unused tax credits and unused tax losses that have not been included on the statement of financial position are as follows:

	Expiry	December 31, 2020	December 31, 2019
		\$	\$
Share issuance costs	2040 to 2044	148,000	-
Marketable securities	No expiry date	(982,000)	-
Non-capital losses	Commencing 2039	1,734,000	44,500

10. SUBSEQUENT EVENTS

On January 6, 2021, the Company granted 150,000 stock options to a consultant exercisable at \$2.60 per share.

On April 9, 2021, the Company closed a private placement of 541,270 units at a price of \$2.09 per unit for total proceeds of \$1,131,255. Each unit consists of one common share of the Company and one transferable share purchase warrant. Each warrant will entitle the holder to purchase one additional share at a price of \$2.50 per share expiring on April 9, 2023.