

**EAT BEYOND GLOBAL HOLDINGS INC.**

CONDENSED INTERIM FINANCIAL STATEMENTS

For the three months ended March 31, 2021

(Expressed in Canadian Dollars)

(Unaudited – Prepared by Management)

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**NOTICE OF NO AUDITOR REVIEW OF THE  
CONDENSED INTERIM FINANCIAL STATEMENTS**

In accordance with National Instrument 51-102 Part 4, subsection 4.3(3)(a), if an auditor has not performed a review of these condensed interim financial statements, they must be accompanied by a notice indicating that the condensed interim financial statements have not been reviewed by an auditor.

The accompanying unaudited condensed interim financial statements of the Company for the three months ended March 31, 2021 have been prepared by and are the responsibility of the Company's management, and have not been reviewed by the Company's auditors.

**EAT BEYOND GLOBAL HOLDINGS INC.**  
 Condensed Interim Statements of Financial Position  
 As at March 31, 2021 and December 31, 2020  
 (Expressed in Canadian Dollars)  
 (Unaudited – Prepared by Management)

	<b>March 31, 2021</b>	<b>December 31, 2020</b>
<b>ASSETS</b>		
Current		
Cash	\$ 1,122,041	\$ 1,092,156
Share subscriptions receivable	95,340	-
Prepaid expenses	404,899	71,229
Marketable securities (Note 3)	2,036,622	1,654,335
Convertible notes receivables (Note 3)	411,456	403,553
	<b>\$ 4,070,358</b>	<b>\$ 3,221,273</b>
<b>LIABILITIES</b>		
Current		
Accounts payable and accrued liabilities (Note 4)	\$ 386,509	\$ 105,814
<b>SHAREHOLDERS' EQUITY</b>		
Share capital (Note 6)	5,459,640	3,296,142
Reserves	1,193,799	1,823,419
Deficit	(2,969,590)	(2,004,102)
	<b>3,683,849</b>	<b>3,115,459</b>
	<b>\$ 4,070,358</b>	<b>\$ 3,221,273</b>

**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 May 27, 2021**

*"Alexander Somjen"*  
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 Alexander Somjen, Director

*"Ravinder Kang"*  
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 Ravinder Kang, Director

**EAT BEYOND GLOBAL HOLDINGS INC.**

Condensed Interim Statements of Loss and Comprehensive Loss

For the three months ended March 31, 2021 and 2020

(Expressed in Canadian Dollars)

(Unaudited – Prepared by Management)

	<b>2021</b>	<b>2020</b>
Investment income		
Interest earned	\$ 7,976	\$ -
Realized gain on disposition of marketable securities (Note 3)	160,825	-
Gain (loss) on fair value of marketable securities	125,104	(153,846)
Total investment income	293,905	(153,846)
Operating expenses		
Consulting fees (Note 5)	497,260	5,175
Foreign exchange (loss)	26	-
Listing and transfer agent fees	9,738	-
Marketing and promotion	456,300	34,859
Office and administration	14,851	60
Professional fees	27,398	59,624
Share-based payments (Notes 5 and 6)	253,820	-
Travel	-	5,414
	1,259,393	105,132
Net loss and comprehensive loss for the period	(965,488)	(258,978)
Basic and diluted loss per share	(0.04)	(0.08)
Weighted average number of common shares outstanding	26,127,051	3,207,307

**EAT BEYOND GLOBAL HOLDINGS INC.**

## Condensed Interim Statements of Changes in Shareholders' Equity

(Expressed in Canadian Dollars)

(Unaudited – Prepared by Management)

	Number of Shares	Capital Stock	Special Warrants	Share Subscriptions Received	Reserve	Deficit	Total Shareholders' Equity
Balance, December 31, 2019	1	-	-	177,025	-	(44,512)	132,513
Incorporator share returned to treasury	(1)	-	-	-	-	-	-
Private placement	15,018,510	1,518,255	-	(177,025)	-	-	1,341,230
Share issue cost	-	(87,273)	-	-	-	-	(87,273)
Agent's warrants issued	-	(45,700)	-	-	45,700	-	-
Special warrants issued for cash	-	-	12,610	-	-	-	12,610
Net loss for the period	-	-	-	-	-	(258,978)	(258,978)
Balance, March 31, 2020	15,018,510	1,385,282	12,610	-	45,700	(303,490)	(1,140,102)
Balance, December 31, 2020	19,779,917	\$ 3,296,142	\$ -	\$ -	\$ 1,823,419	\$ (2,004,102)	\$ 3,115,459
Exercise of share purchase warrants	10,875,290	588,558	-	-	-	-	588,558
Exercise of stock options	1,383,000	691,500	-	-	-	-	691,500
Transfer of fair value on agent's warrants exercised	-	25,980	-	-	(25,980)	-	-
Transfer of fair value on stock options exercised	-	857,460	-	-	(857,460)	-	-
Share based payments	-	-	-	-	253,820	-	253,820
Net loss for the period	-	-	-	-	-	(965,488)	(965,488)
Balance, March 31, 2021	32,038,207	\$ 5,459,640	\$ -	\$ -	\$ 1,193,799	\$ (2,969,590)	\$ 3,683,849

**EAT BEYOND GLOBAL HOLDINGS INC.**  
**Condensed Interim Statements of Cash Flows**  
**For the three months ended March 31, 2021 and 2020**  
**(Expressed in Canadian Dollars)**  
**(Unaudited – Prepared by Management)**

	<b>2021</b>	<b>2020</b>
<b>Operating Activities</b>		
Net loss for the period	\$ (965,488)	\$ (258,978)
Items not affecting cash:		
Interest receivable	(7,903)	-
Share-based payments	253,820	-
Gain (loss) on fair value of marketable securities	(125,104)	153,846
Realized gain on disposal of marketable securities	(160,825)	-
Changes in non-cash working capital items related to operations:		
Prepaid expenses	(333,670)	(2,835)
Accounts payable and accrued liabilities	280,695	74,964
<b>Cash used in operating activities</b>	<b>(1,058,475)</b>	<b>(33,003)</b>
<b>Investing Activities</b>		
Proceeds on sale of marketable securities	420,899	-
Marketable securities	(517,257)	(400,000)
<b>Cash used in investing activities</b>	<b>(96,358)</b>	<b>(400,000)</b>
<b>Financing Activities</b>		
Shares issued for cash	1,184,718	1,335,730
Share issue costs	-	(87,273)
Special warrants issued for cash	-	12,610
<b>Cash provided by financing activities</b>	<b>1,184,718</b>	<b>1,261,067</b>
<b>Change in cash during the period</b>	<b>29,885</b>	<b>828,064</b>
<b>Cash and cash equivalents, beginning of period</b>	<b>1,092,156</b>	<b>132,513</b>
<b>Cash and cash equivalents, end of the period</b>	<b>\$ 1,122,041</b>	<b>\$ 960,577</b>
<b>Supplemental Disclosure of Cash Flow Information:</b>		
Cash paid during the period:		
Interest	\$ -	\$ -
Income taxes	\$ -	\$ -
<b>Cash and cash equivalents consist of:</b>		
Cash	\$ 939,049	\$ 1,113
Funds in brokerage account	175,890	-
Funds held in a trust	7,102	131,400
<b>Cash and cash equivalents</b>	<b>\$ 1,122,041</b>	<b>\$ 132,513</b>

**EAT BEYOND GLOBAL HOLDINGS INC.**

Notes to the condensed interim financial statements

March 31, 2021

(Expressed in Canadian dollars)

(Unaudited – Prepared by Management)

**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 March 31, 2021, the Company is not able to finance day to day activities through operations and has an accumulated deficit of \$2,907,945. 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.

**2. SUMMARY SIGNIFICANT ACCOUNTING POLICIES****Basis of preparation***Statement of compliance*

These condensed interim financial statements, including comparatives, have been prepared in accordance with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”), Interpretations issued by the International Financial Reporting Interpretations Committee (“IFRIC”) and in accordance with International Accounting Standard (“IAS”) 34 Interim Financial Reporting.

The condensed interim financial statements were authorized for issue by the Board of Directors on May 27, 2021.

**EAT BEYOND GLOBAL HOLDINGS INC.**

Notes to the condensed interim financial statements

March 31, 2021

(Expressed in Canadian dollars)

(Unaudited – Prepared by Management)

**2. SUMMARY SIGNIFICANT ACCOUNTING POLICIES – (cont'd)***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 condensed interim financial statements

March 31, 2021

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### **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 preparation of financial data is based on accounting principles and practices consistent with those used in the preparation of the audited financial statements as at December 31, 2020.

#### **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 condensed interim financial statements

March 31, 2021

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**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 129%, expected life of warrant 0.42 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 March 31, 2021	Fair Value at December 31, 2020
	#	\$	\$	\$
<b>Public Companies</b>				
Greenspace Brands Inc.	-	-	-	290,538
The Very Good Food Company Inc.	25,000	6,250	123,500	155,250
Good Nature Products Inc.	655,186	100,000	766,567	642,857
<b>Private Companies</b>				
TurtleTree Labs Pte. Ltd.	NA	200,205	200,205	200,205
Eat Just Inc.	7,998	113,870	113,870	113,870
Above Food	NA	100,000	100,000	-
Sire Biosciences Inc.	333,334	50,000	50,000	-
Plant Power Restaurant Group LLC	NA	317,258	317,257	-
Zoglo's Incredible Food Corp.	500,000	50,000	50,000	-
<b>Investment in warrants</b>	NA	-	315,223	251,615
<b>Total</b>		937,583	2,036,622	1,654,335

During the three months ended March 31, 2021, the Company sold some of its marketable securities for total proceeds of \$420,899 and realized a gain of \$160,825.

**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 condensed interim financial statements

March 31, 2021

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**4. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES**

	<b>March 31, 2021</b>	<b>December 31, 2020</b>
	\$	\$
Accounts payable	107,387	88,012
Accrued liabilities	49,000	17,802
Payroll tax liabilities	230,122	-
	<u>386,509</u>	<u>105,814</u>

**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 three months ended March 31, 2021 and 2020.

	<b>For the three months ended March 31,</b>	
	<b>2021</b>	<b>2020</b>
	\$	\$
Consulting fees paid to a company controlled by CEO	23,625	-
Consulting fees paid to a company controlled by a former Director	-	15,000
Consulting fees paid to a company controlled by CFO	12,600	-
	<u>36,225</u>	<u>15,000</u>

Consulting fees are recognized in the statement of loss and comprehensive loss. As at March 31, 2021 and 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 three months ended March 31, 2021:

During the three months ended March 31, 2021, 10,875,290 share purchase warrants were exercised for total proceeds of \$588,558. The Company transferred \$25,980 from reserves as 99,540 share purchase warrants were agent's warrants.

During the three months ended March 31, 2021, 1,383,000 stock options were exercised for total proceeds of \$691,500. The Company transferred \$857,460 from reserves.

**EAT BEYOND GLOBAL HOLDINGS INC.**

Notes to the condensed interim financial statements

March 31, 2021

(Expressed in Canadian dollars)

(Unaudited – Prepared by Management)

**6. SHARE CAPITAL (continued)***Common shares (continued)*

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.

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.**

Notes to the condensed interim financial statements

March 31, 2021

(Expressed in Canadian dollars)

(Unaudited – Prepared by Management)

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

The following is a summary of the Company's share purchase warrants for the three months ended March 31, 2021 and for the year ended December 31, 2020 are as follows:

	Number of warrants	Weighted average exercise price
		\$
Balance, December 31, 2019	-	-
Issued	12,643,159	0.06
Exercised	(646,567)	0.12
Balance, December 31, 2020	11,996,592	0.06
Exercised	(10,875,290)	0.05
Balance, March 31, 2021	1,121,302	0.10

As at March 31, 2021, 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	500,000	0.85
February 13, 2022	0.05	500,000	0.87
March 18, 2022	0.50	44,765	0.96
August 12, 2022	0.50	76,537	1.37
	0.10	1,121,302	0.90

Subsequent to March 31, 2021, 750,000 share purchase warrants were exercised for total proceeds of \$37,500.

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%

**EAT BEYOND GLOBAL HOLDINGS INC.**

Notes to the condensed interim financial statements

March 31, 2021

(Expressed in Canadian dollars)

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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.

On January 6, 2021, the Company granted 150,000 stock options to a consultant that vested at the date of grant. The stock option entitled the holders therefore the exercisable at \$2.60 per share expiring on January 6, 2026. The fair value of the stock of \$192,176 was determined using the Black-Scholes option valuation model with the following assumptions – Share price on date of grant of \$2.60; risk-free interest rate of 0.41%; 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:

	Number of Stock Options	Weighted average exercise price \$
Balance, December 31, 2019	-	-
Issued	2,810,000	0.51
Balance, December 31, 2020	2,810,000	0.51
Issued	150,000	2.60
Exercised	(1,383,000)	0.50
Balance, March 31, 2021	1,577,000	0.71

**EAT BEYOND GLOBAL HOLDINGS INC.**

Notes to the condensed interim financial statements

March 31, 2021

(Expressed in Canadian dollars)

(Unaudited – Prepared by Management)

**6. SHARE CAPITAL (continued)***Stock Options (continued)*

As at March 31, 2021, the Company had 1,577,000 stock options outstanding as follows:

<b>Number of Stock Options</b>	<b>Exercisable</b>	<b>Exercise Price</b>	<b>Expiry Date</b>
1,327,000	1,327,000	\$0.50	November 17, 2025
100,000	100,000	\$0.71	November 25, 2025
150,000	150,000	\$2.60	January 6, 2026
<b>1,577,000</b>	<b>1,577,000</b>		

Subsequent to March 31, 2021, 455,000 stock options were exercised for total proceeds of \$227,500.

*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 the three months ended March 31, 2021, the Company recognized \$61,644 (December 31, 2021 - \$30,137) as share-based payment and, as the Company intends to settle the RSU through equity settlement, recorded a corresponding credit to reserve.

**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.

**EAT BEYOND GLOBAL HOLDINGS INC.**

Notes to the condensed interim financial statements

March 31, 2021

(Expressed in Canadian dollars)

(Unaudited – Prepared by Management)

**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.

- 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 three months ended March 31, 2021 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 March 31, 2021, the Company's marketable securities of \$2,036,622, 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 period ended March 31, 2021 would have been approximately \$203,700 higher/lower.

**9. SUBSEQUENT EVENT**

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.