2204901 Ontario Inc.
(Operating as Globally Local)

CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

AMENDED AND RESTATED

FOR THE THREE AND SIX MONTHS ENDED MARCH 31, 2021, AND MARCH 31, 2020

(In Canadian Dollars)
(unaudited)

NOTICE OF NO AUDITOR REVIEW OF CONDENSED INTERIM
CONSOLIDATED FINANCIAL STATEMENTS

Please be advised that various changes were made to the condensed interim consolidated financial statements for the three and six months ended March 31, 2021. Please refer to Note 21 to the amended and restated interim consolidated financial statements for the three and six months ended March 31, 2021.

The accompanying amended and restated unaudited condensed interim consolidated financial statements of 2204901 Ontario Inc. (Globally Local) have been prepared by the Company's management.

The Company's independent auditor has not performed a review of these unaudited condensed interim consolidated financial statement in accordance with standards established by CPA Canada for a review of unaudited condensed interim consolidated financial statements by an entity's auditor.

June 13, 2021

2204901 Ontario Inc. (operating as Globally Local)
Unaudited Condensed Interim Consolidated Statements of Loss and Comprehensive Loss
For the three-and-six-month period ended March 31, 2021, and 2020
Amended and Restated *(Expressed in Canadian dollars)*

	Note	Three months ended March 31, 2021	Three months ended March 31, 2020	Six months ended March 31, 2021	Six months ended March 31, 2020
		$	$	$	$
REVENUE					
Food Sales	21	253,515	349,814	513,375	716,579
Franchise fees		5,324	-	13,813	-
TOTAL REVENUE		258,839	349,814	527,188	716,579
Materials and products	21	101,098	117,600	235,821	263,077
Capitalized overheads		129,231	134,557	267,235	262,530
Depreciation		52,842	46,885	102,680	126,381
TOTAL COST OF GOODS SOLD		283,171	299,042	605,736	651,988
GROSS MARGIN		(24,332)	50,772	(78,548)	64,591
Selling, general and administrative		197,783	142,181	302,199	297,786
Salaries and wages		73,200	15,639	89,200	37,500
Professional fees		239,240	6,606	289,521	20,826
Interest expense		12,093	5,724	26,421	25,177
		522,316	170,150	707,341	381,289
NET LOSS AND COMPREHENSIVE LOSS BEFORE THE UNDERNOTED ITEMS		(546,648)	(119,378)	(785,889)	(316,698)
OTHER ITEMS					
Other income		101,354	-	206,225	30,000
Gain on sale of property, plant and equipment, net		62,818	-	62,818	-
NET LOSS AND COMPREHENSIVE LOSS		**(382,476)**	**(119,378)**	**(516,846)**	**(286,698)**
Loss per share					
Basic and Diluted		**(0.01)**	**(0.00)**	**(0.01)**	**(0.01)**
Weighted average number of common shares outstanding, basic and diluted		**63,005,618**	**53,812,500**	**59,660,096**	**53,812,500**

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

2204901 Ontario Inc. (operating as Globally Local)
Unaudited Condensed Interim Consolidated Statements of Financial Position
As at March 31, 2021 and September 30, 2020
Amended and Restated *(Expressed in Canadian dollars)*

	Notes	March 31, 2021	September 30, 2020
		$	$
ASSETS			
CURRENT			
Cash		860,429	453,320
Accounts Receivable	3	151,885	60,462
Inventory	5	75,260	70,482
Prepaids and deposits	4	126,932	47,405
Total current assets		1,214,506	631,669
Right-of-use asset	6	93,038	200,110
Property and equipment, net	7	432,857	324,224
Total assets		1,740,401	1,156,003
LIABILITIES			
CURRENT			
Accounts payable and accrued liabilities	8	470,208	173,902
Deferred revenue	9	12,543	14,238
Due to shareholder	11	-	500,000
Current portion of loans payable	10	82,293	85,355
SAFE arrangements	12	-	3,125,000
Current portion of lease liabilities	6	182,973	203,849
Total current liabilities		748,017	4,102,344
Lease liabilities	6	81,542	174,631
Loans payable	10	212,624	238,974
Total liabilities		1,042,183	4,515,949
SHAREHOLDERS' EQUITY (DEFICIT)			
Share capital	13	4,575,024	14
Retained earnings (Deficit)		(3,876,806)	(3,359,960)
Total shareholders' equity (deficit)		698,218	(3,359,946)
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY/DEFICIT		**1,740,401**	**1,156,003**

Going concern (Note 1)
Commitments and contingencies (Note 14)
Subsequent events (Note 21)

Approved by the Board of directors:

"James McInnes"
Director (Signed)

"Ted Sehl"
Director (Signed)

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

2204901 Ontario Inc. (operating as Globally Local)
Unaudited Condensed Interim Consolidated Statements of Changes in Shareholders' Equity (Deficit)
For the period ended March 31, 2021, and 2020
Amended and Restated *(Expressed in Canadian dollars)*

	Number of shares	Share Capital	Retained earnings (Deficit)	Total
		$	$	$
Balance, September 30, 2019 (Unaudited)	53,812,500	14	(578,735)	(578,721)
Net loss and comprehensive loss for the period (Unaudited)	-	-	(286,698)	(286,698)
Balance, March 31, 2020 (Unaudited)	53,812,500	14	(865,433)	(865,419)
Net loss and comprehensive loss for the period (Unaudited)	-	-	(2,494,527)	(2,494,527)
Balance, September 30, 2020	53,812,500	14	(3,359,960)	(3,359,946)
Conversion of SAFE arrangements	7,812,500	3,125,000	-	3,125,000
Issuance of private placement	2,375,000	950,010	-	950,010
Contribution to equity		500,000	-	500,000
Net loss and comprehensive loss for the period	-	-	(516,846)	(516,846)
Balance, March 31, 2021 (unaudited)	64,000,000	4,575,024	(3,876,806)	698,218

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

2204901 Ontario Inc. (operating as Globally Local)
Unaudited Condensed Interim Consolidated Statements of Cash Flows
For the six-month period ended March 31, 2021, and 2020
Amended and Restated *(Expressed in Canadian dollars)*

	Six months ended March 31, 2021	Six months ended March 31, 2020
	$	$
OPERATING ACTIVITIES		
Net loss for the period	(516,845)	(286,698)
Items not affecting cash:		
Gain on disposal of property, plant and equipment, net and right-of-use asset	(62,814)	-
Depreciation expense	106,951	126,381
Interest expense on lease liabilities	25,323	27,311
	(447,385)	(133,006)
Changes in non-cash working capital items:		
Inventory	(4,778)	31,024
Accounts receivable and other receivable	(18,372)	(643)
Prepaid expenses	(79,527)	8,201
Deferred revenue	(1,695)	-
Accounts payable and accrued liabilities	296,305	(45,186)
Cash flows used in operating activities	(255,452)	(139,610)
FINANCING ACTIVITIES		
Repayment of lease liabilities	(72,211)	(104,804)
Proceeds from loans payable	-	85,705
Repayment of loans payable	(37,291)	-
Proceeds from private placement	950,010	-
Proceeds from SAFE arrangements	-	449,982
Cash flows from financing activities	840,508	430,883
INVESTING ACTIVITIES		
Purchase of property, plant and equipment, net	(177,947)	(75,901)
Cash flows used in investing activities	(177,947)	(75,901)
Change in cash during the period	407,109	215,372
Cash, beginning of the period	453,320	231,673
Cash, End of the period	860,429	447,045

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

1. Nature of Operations

2204901 Ontario Inc. (the "Company" or "Globally Local") was incorporated under the Business Corporations Act (Ontario) on April 30, 2009. It is a technology company, manufacturing innovative plant-based products through a sustainable, vertically integrated supply chain and the Company also owns vegan fast-food restaurants, serving its own plant-based fast-food. The Company's registered office is located at 505 Consortium Court, London, ON, N6E 2S8. References herein to "Globally Local" or the "Company" refer to 2204901 Ontario Inc. and its subsidiaries, unless specifically noted otherwise.

Basis of measurement and going concern

These unaudited condensed interim consolidated financial statements have been prepared on the basis that the Company will continue as a going concern, which contemplates the realization of its assets and the settlement of its liabilities in the normal course of operations. As at March 31, 2021, the Company's accumulated deficit was $3,876,806 and its current assets exceeded its current liabilities by $492,014. As at September 30, 2020, the Company's accumulated deficit was $3,359,960 and its current liabilities exceeded its current assets by $3,470,675. While these unaudited condensed interim consolidated financial statements have been prepared on a basis of accounting principles applicable to a going concern, a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern.

The Company's ability to continue as a going concern is dependent on the Company's ability to pay its liabilities; continual funding to fund operations; as well as the Company's ability to generate sufficient working capital from operations to satisfy their creditor obligations. Management has been able to raise sufficient funds to finance its operations in the past through private placements of both equity and debt and will need to continue to do so to fund operations in the future (see Note 20 for subsequent events). Management believes that the use of the going concern assumption is appropriate. If the going concern assumption were not appropriate for these unaudited condensed interim consolidated financial statements, adjustments would be necessary in the carrying value of the assets and liabilities, and the reported net earnings.

These Amended and Restated unaudited condensed interim consolidated financial statements were approved by the Company's Board of directors on June 13, 2021.

Impacts of COVID-19

The COVID-19 pandemic has impacted Canadians and economies around the world. The restaurant and food services industry have experienced significant business disruptions since March 2020, as a result of mandated restaurant closures and other restrictive measures. While the length of this pandemic is uncertain and government-imposed restrictions continue to evolve, the Company remains focused on the health and safety of our customers, employees, and franchise partners.

In March 2020, the Company swiftly implemented remote work from home protocols for the corporate management team, focused on off-premises sales and delivery channels and strengthened online promotional and advertising campaigns. For all corporate and franchise restaurants and central leases, the Company is continuing to negotiate rent deferrals or reductions for the COVID-19 disruption and recovery periods and is applying for government rent subsidies with the government where applicable.

2. Basis of Presentation

Statement of compliance

These unaudited condensed interim consolidated financial statements are prepared in accordance with International Financial Reporting Standards ("**IFRS**") as issued by the International Accounting Standards Board ("**IASB**") for the three and six months ended March 31, 2021, and 2020. The accounting policies set out below have been applied consistently to all periods presented.

Basis of preparation

These unaudited condensed interim consolidated Financial Statements for the three and six months ended March 31, 2021, and 2020 were prepared in accordance with IAS 34, International Financial Reporting Standards (IFRS), as issued by the International Accounting Standards Board (IASB), under International Accounting Standard (IAS) 34 – Interim Financial Reporting. These unaudited condensed interim consolidated financial statements do not include all the information and disclosures required in the annual consolidated financial statements. Accordingly, these unaudited condensed interim consolidated financial statements should be read in conjunction with 2204901 Ontario Inc. (Operating as Globally Local) consolidated interim and annual financial statements for the three months ended December 31, 2020 (unaudited) and for the years ended September 30, 2020, and 2019 (unaudited) which are included in the Company's filing statement in respect of the qualifying transaction, which was filed on March 19, 2021.

These unaudited condensed interim consolidated financial statements and the accompanying notes were prepared using the accounting policies described in Note 2 and Note 3 in the aforementioned Consolidated Interim and Annual Financial Statements. These unaudited condensed interim consolidated financial statements were approved and authorized for issuance by the Board of Directors on May 27, 2021. When preparing the financial statements, management makes estimates and judgments relating to reported amounts of revenues and expenses, reported amounts of assets and liabilities. We base our estimates on a number of factors, including historical experience, current events including but not limited to the COVID-19 pandemic and actions that the Company may undertake in the future, and other assumptions that we believe are reasonable under the circumstances. By their nature, these estimates and judgments are subject to measurement uncertainty and actual results could differ.

Basis of presentation and consolidation

These unaudited condensed interim consolidated financial statements include the accounts of the Company and its wholly owned subsidiaries. Transactions and balances between the Company and its consolidated entities have been eliminated on consolidation. The principal wholly owned subsidiaries of the Company that have been consolidated are as follows:

Name of entity	Incorporation date
Globally Local Franching Inc.	May 31, 2019
Globally Local Food Services	February 26, 2018
Globally Local Real Estate Inc.	November 9, 2020
2794441 Ontario Inc.	November 23, 2020
2794443 Ontario Inc.	November 23, 2020
2794444 Ontario Inc.	November 23, 2020
2794445 Ontario Inc.	November 23, 2020
2794446 Ontario Inc.	November 23, 2020

2. Basis of presentation and consolidation (continued)

These unaudited condensed interim consolidated financial statements have been prepared on an accrual basis and are based on historical costs, modified where applicable. The presentation and functional currency of the Company is the Canadian dollar. In the opinion of the Company's management, all adjustments considered necessary for a fair presentation have been included.

3. Accounts receivable and other receivable

	Notes	**(Unaudited)** **March 31, 2021**	September 30, 2020
Trade Receivable		**5,238**	11,076
HST Receivable		**41,536**	5,964
Other receivable		**105,111**	43,422
		151,885	60,462

Since its incorporation, the Company has not incurred any significant credit loss in respect of its trade receivables. Based on consideration of all possible default events over the assets' contractual lifetime, the expected credit loss in respect of the Company's trade receivables was nominal at March 31, 2021 and September 30, 2020.

At March 31, 2021 other receivables includes $15,111 relating to Canadian Emergency Wage Subsidy (CEWS) (September 30, 2020 - $43,422). The balance as at September 30, 2020 consisted of $20,922 CEWS and $22,500 from Canadian Emergency Rent Subsidy (CERS) for business (SMEs) that was received by the Company subsequent to period end. The wage subsidy is for business that have been impacted by COVID-19.

In addition, included in other receivable, $90,000 is related to the gross proceeds received subsequent to the period ended March 31, 2021, in relation to disposition of certain property and equipment (note 7) and Right-of-use assets and lease liabilities (note 6). During the period ended March 31, 2021, the company recognized $62,818 in gains on disposition of those assets and derecognition of lease liabilities.

4. Prepaids and deposits

	Notes	**(Unaudited)** **March 31, 2021**	September 30, 2020
Prepaid expenses		**88,790**	14,763
Security deposits		**38,142**	32,642
		126,932	47,405

5. Inventory

Inventories are comprised of the following:

	Notes	**(Unaudited)** **March 31, 2021**	September 30, 2020
Raw materials		**9,446**	14,068
Manufactured food		**11,070**	26,392
Packaging		**13,596**	11,663
Cleaning supplies		**459**	-
Capitalized costs		**40,689**	18,359
		75,260	70,482

Inventory recognized as an expense in cost of sales for the three- and six-month period ended March 31, 2021, was $101,098 and $235,821 (three- and six-month period ended March 30, 2020 - $117,600 and $263,077). Depreciation recognized as expense in cost of sales for the three-and-six-month period ended March 31, 2020, was $52,842 and $102,680 (three- and six-month period ended March 30, 2020 - $46,885 and $126,381) and overheads capitalized in the three-and-six-month period ended March 31, 2021 in costs of sales amounted to $129,231 and $267,235 (three and six month period ended March 30, 2020 - $134,557 and $262,530).

Inventories are stated at the lower of cost or net realizable value. The Company periodically reviews the value of items in inventory and provides write-downs or write-offs of inventory based on its assessment of saleability and quality.

6. Right-of-use asset and lease liability

The Company leased assets include base rent for restaurant premises and for its production facility. On transition to IFRS 16, the Company recognized a right-of-use asset and corresponding lease liability in respect of its leases. The lease liability was measured at the present value of the remaining lease payments, discounted using the Company's incremental cost of borrowing rate at the date of initial application, estimated to be 12.0%. The right-of-use asset was measured at an amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments relating to that lease recognized in the statement of financial position immediately before the date of initial application.

The following schedule shows the movement in the Company's right-of-use assets during the six months ended March 31, 2021:

6. Right-of-use asset and lease liability (continued)

	Notes	Leased premises
		$
Cost		
Balance, September 30, 2019 ROU assets (unaudited)		**599,012**
Additions		-
Derecognition of ROU assets		(211,201)
Balance, September 30, 2020 ROU assets		**387,811**
Disposition		**(128,187)**
Additions		-
Balance, March 31, 2021 ROU assets		**259,624**
Accumulated depreciation		
Balance, September 30, 2019 accumulated depreciation (unaudited)		**117,131**
Derecognition of ROU assets		(79,200)
Depreciation		149,770
Balance, September 30, 2020 accumulated depreciation		**187,701**
Derecognition of ROU assets		(80,116)
Depreciation		59,001
Balance, March 31, 2021 accumulated depreciation		**166,586**
Net book value		
September 30, 2020		**200,110**
March 31, 2021		**93,038**

The following schedule shows the movement in the Company's lease liability during the year:

	Notes	**Leased premises**
		$
Cost		
Balance, September 30, 2020 Lease liabilities		**378,480**
Interest expense		17,443
Lease payments		(72,208)
Lease termination		(59,200)
Balance, March 31, 2021 Lease liabilities		**264,515**

6. Right-of-use asset and lease liability (continued)

The right-of-use assets are being depreciated on a straight-line basis over the remaining lease term, ending September 2022.

During the three- and six-months period ended March 31, 2021, the Company recorded $29,500 and $59,001 (year ended September 30, 2020 - $149,770) of depreciation expense relating to ROU assets, out of which $28,113 and $56,609 (year ended September 30, 2020 - $147,563) has been capitalized into cost of goods sold.

For the three-and six-month period ended March 31, 2021, variable lease payments not included in the measurement of lease liabilities totalled $49,936. During the year ended September 30, 2020, variable lease payments not included in the measurement of lease liabilities totalled $246,355 were, recognized as an expense and included in 'Selling, general and administrative' in the unaudited condensed interim consolidated statement of loss and comprehensive loss.

A reconciliation of the current and non-current components of the lease liability at March 31, 2021 and September 30, 2020 follows:

	Notes	**(Unaudited)** **March 31, 2021**	September 30, 2020
		$	**$**
Current		182,973	203,849
Non-current		81,542	174,631
		264,515	378,480

The following table sets forth the future lease payments to be made:

	$
with-in one year	214,749
1-2 year	66,168
	280,917

7. Property, and Equipment

	Computer equipment	Furniture and equipment	Leaseholds	Vehicles	Total
Cost	$	$	$	$	$
Balance, Sept 30, 2020	22,053	296,982	138,296	38,000	495,331
Additions	-	37,796	140,150	-	177,946
Disposal	-	(30,558)	(17,122)	-	(47,680)
Balance, Mar 31, 2021	22,053	304,220	261,324	38,000	625,597
Accumulated depreciation					
Balance, Sept 30, 2020	13,849	90,353	36,948	29,957	171,107
Depreciation	1,500	23,952	20,837	1,662	47,951
Disposals	-	(16,045)	(10,273)	-	(26,318)
Balance, Mar 31, 2021	15,349	98,260	47,512	31,619	192,740
NBV, March 31, 2021	**6,704**	**205,960**	**213,812**	**6,381**	**432,857**

	Computer equipment	Furniture and equipment	Leaseholds	Vehicles	Total
Cost	$	$	$	$	$
Balance, Sept 30, 2019	20,360	186,281	141,221	38,000	385,862
Additions	-	75,808	93	-	75,901
Balance, Mar 31, 2020	20,360	262,089	141,314	38,000	461,763
Accumulated depreciation					
Balance, Sept 30, 2019	4,712	52,618	15,592	22,173	95,095
Depreciation	1,675	20,609	15,999	2,374	40,657
Balance, Mar 31, 2020	6,387	73,227	31,591	24,547	135,752
NBV, March 31, 2020	**13,973**	**188,862**	**109,723**	**13,453**	**326,011**

8. Accounts payable

	Notes	**(Unaudited)** **March 31, 2021**	September 30, 2020
		$	$
Trade payables		334,442	95,123
Accrued liabilities & other payables		135,766	78,779
		470,208	173,902

9. Deferred Revenue

	Notes	**(Unaudited)** **March 31, 2021**	September 30, 2020
		$	$
Deferred revenue		12,543	14,238
		12,543	14,238

As at March 31, 2021 the Company recorded deferred revenue of $12,543 (September 30, 2020 - $14,238) pertaining to the franchisee fee the Company has received. Under the terms of the franchise agreement the funds are to be amortized over a 5-year period.

10. Loans Payable

As of March 31, 2021, the Company had loans payable of $294,917 (September 30, 2020 - $324,329).

The Company has 2 loans payable to family members of the CEO of the Company that bear interest at 9.95% and 3.45%. Both lines are secured against personal property. As at March 31, 2021 the balances outstanding on such loans were $18,517 and $9,766 (September 30, 2020 - $20,146 and $10,343) respectively. See Note 15.

On February 8, 2018, the Company secured a bank loan from Business Development Canada ("BDC") The loan bears interest at BDC floating base rate plus 4.7% and is repayable monthly over 72 months with the first payment starting from February 1, 2019. As at March 31, 2021 the outstanding balance on the BDC loan was $105,917 (September 30, 2020 - $124,768), including accrued interest in the amount of $2,426 (September 30, 2020 - $5,691). This loan and interest accrued on this loan are secured by a first security interest in certain equipment financed under this loan, and postponement and assignment of claim of amounts due to shareholder (Note 12). As at March 31, 2021 and September 30, 2020, the accrued interest was in default position. Such interest payable was fully repaid, and the loan and interest resumed to be in good standing subsequent to March 31, 2021.

On February 8, 2018, the Company secured a bank loan from Business Development Canada ("BDC"). The loan bears interest BDC floating base rate plus 1% and is repayable monthly over 60 months with the first payment starting from August 1, 2018. As at March 31, 2021 the outstanding balance on the BDC loan was $12,750 (September 30, 2020 - $15,475), including accrued interest in the amount of $181 (September 30, 2020 - $434). This loan and interest accrued on this loan are guaranteed by the CEO and COO personally and secured by postponement and assignment of claim of amounts due to shareholder (Note 12). As at March 31, 2021 and September 30, 2020, the accrued interest was in default position. Such interest payable was fully repaid, and the loan and interest resumed to be in good standing subsequent to March 31, 2021.

10. Loans Payable (continued)

On October 4, 2019, the Company secured a bank loan from the Royal Bank of Canada ("RBC") the loan bears interest at Prime plus 3% and is repayable monthly over 60 months. As at March 31, 2021 the balance outstanding to RBC was $95,796 (September 30, 2020 - $103,460). This loan agreement constitutes a first ranking and specific security interest in equipment and leaseholds.

During the three- and six-months period ended March 31, 2021, interest of approximately $4,042 and $8,988 (three- and six-month period ended March 30, 2020 - $7,775 and $11,759) related to the above indebtedness has been charged to interest expense.

As a result of COVID-19 the Canadian government created a program called the Canadian Emergency Business Account (CEBA) which provides interest-free, partially forgivable loans for up to $40,000 to small businesses that have been negatively impacted due to COVID-19. For the year ended September 30, 2020, the Company was granted two loans totalling $80,000. The loans are interest free until December 31, 2021.

	Notes	**(Unaudited)** **March 31, 2021**	September 30, 2020
		$	$
Current portion loans		82,293	85,355
Long-term portion of loans		212,624	238,974
		294,917	**324,329**

11. Due to Shareholder

In January 2018, the Company secured a $500,000 loan from a shareholder of the Company. The loan is non-interest bearing and repayable on demand by the Shareholder. On December 16, 2020, the loan was settled with the shareholder and the amount owing was converted into contributed surplus of the Company.

12. Simple Agreement for Future Equity

During the year ended September 30, 2019, the Company entered into a series of Simple Agreements for Future Equity ("SAFE") arrangement. Pursuant to the terms of the SAFE, investors agreed to pay the Company a fixed amount of cash consideration ("the Purchase Amount") in exchange for the right to receive future shares in the Company at a later date. The terms of the SAFE were such that the number of shares issuable to the investor was variable depending on the occurrence, or non-occurrence, of specified future events and conditions, based on the post-money valuation cap of such SAFE arrangements.

The SAFE was primarily designed to issue to the investor a number of shares equal to the Purchase Amount divided by the Conversion Price upon the occurrence of an equity financing, and, whereas the conversion price was defined as: the valuation cap divided by the total shares outstanding immediately prior to the equity financing or 85% of the price per share in the equity financing, whichever calculation results in a greater number of SAFE Shares.

The Company designated the entire SAFE arrangements as financial liabilities at FVTPL as permitted by IFRS 9. On initial recognition, the Company measured the liability at an amount equal to the aggregate proceeds that were received from investors in exchange for the SAFE. For the year ended September 30, 2020, the Company recognized a fair value adjustment of the SAFE arrangements recognizing a loss on revaluation of $2,275,018 (2019 - $nil). The Company issued SAFEs for cash proceeds in the amount of $449,982, net of issuance costs of $18 during the year ended September 30, 2020 (2019 - $400,000).

12. Simple Agreement for Future Equity (continued)

On December 4, 2020, the Company completed a private placement in the amount of $350,010 at a price of $0.40 per share. As a result of such equity financing, which is considered as a triggering event for conversion, all previously issued SAFE arrangements were converted into 7,812,500 common shares of the Company on December 4, 2020. Therefore, $3,125,000 was reclassified from SAFE arrangements in the unaudited condensed interim consolidated financial statements of financial position to share capital in the unaudited condensed interim consolidated statements of changes in shareholders' equity (deficit).

13. Share Capital

Authorized share capital

The Company is authorized to issue an unlimited number of common shares.

Outstanding share capital

On December 3, 2020, the shareholders approved by special resolution of a share split of the common shares of the Company such that every 1 pre-split common share would be converted to 86,100 post-split common shares of the Company. As a result, all common shares presented in the unaudited condensed interim consolidated statements have been reflected with this share split retrospectively.

During the six months ended March 31, 2021, the Company completed private placement of 2,375,000 shares at the price of $0.40.

As at March 31, 2021, there were 64,000,000 (September 30, 2020 – 53,812,500) common shares issued and outstanding.

Loss per share

Basic and diluted loss per share based on the net loss and comprehensive loss for the three- and six-month period ended March 31, 2021, and 2020.

	(Unaudited) 3 months ended March 31, 2021	**(Unaudited) 3 months ended March 31, 2020**	**(Unaudited) 6 months ended March 31, 2021**	**(Unaudited) 6 months ended March 31, 2020**
Numerator:				
Net loss and comprehensive loss for the period and year	(382,476)	(119,378)	(516,846)	(286,698)
Denominator:				
Weighted average number of common shares outstanding - basic and diluted	63,005,618	53,812,500	59,660,096	53,812,500
Loss per share based on net loss and comprehensive loss for the period and year	(0.01)	(0.00)	(0.01)	(0.01)

14. Commitments and Contingencies

The Company is subject to various claims by third parties arising out of the normal course and conduct of its business, including, but not limited to, labour and employment, regulatory, franchisee related, COVID-19 related rent concessions and environmental claims. In addition, the Company is potentially subject to regular audits from federal, state and provincial tax authorities relating to income, commodity and capital taxes and as a result of these audits may receive assessments and reassessments. Although such matters cannot be predicted with certainty, management currently considers the Company's exposure to such claims and litigation, to the extent not covered by the Company's insurance policies or otherwise provided for, not to be material to these unaudited condensed interim consolidated financial statements.

During the three and six months ended March 31, 2021 and year ended September 30, 2020, the Canadian federal government made certain government support programs available to eligible entities as part of its COVID-19 economic response plan. The Company applied and received support under the CanExport for business (SMEs), Canada Emergency Wage Subsidy ("CEWS"), Canada Emergency Commercial Rent Assistance ("CECRA") and Canada Emergency Business Account ("CEBA") programs. Each applicant's eligibility for these programs is subject to validation and detailed verification by the federal government. Due to nature of the eligibility requirements and related calculations, it is possible that the eligibility requirements may not be considered to be met upon validation, and as such the benefits received may be repayable.

15. Related Party Transactions

The Company's policy is to conduct all transactions with related parties at arm's length to align with market terms and conditions.

Key management personnel are those persons who have the authority and the responsibility for planning, directing, and controlling the activities of the Company and/or its subsidiary, directly or indirectly, including any external director of the Company and/or its subsidiary. Key management includes the Company's Chief Executive Officer and Chief Operating Officer. Key management personnel may also participate in the Company's share-based compensation plans.

During the six months ended March 31, 2021, $46,475 (March 31, 2020 – $18,750) was incurred as salary to the CEO, who is also a director of the Company.

During the six months ended March 31, 2021, $42,725 (March 31, 2020 – $18,750) was incurred as salary to the COO, who is also a director of the Company.

During the six months ended March 31, 2021, $51,000 (March 31, 2020 – $nil) was incurred as salary to the CFO, who is also a director of the Company.

During the six months ended March 31, 2021, $9,766 (March 31, 2020 - $22,128) was outstanding to a family member of the CEO of the Company. The loan was used to purchase the Company's food truck. The Company makes regular payments to the family member to reduce the balance outstanding. As at March 31, 2021 such amount has been categorized as loans payable on the unaudited condensed interim consolidated statements of financial position. The balance is repayable on demand.

15. Related Party Transactions (continued)

During the six months ended March 31, 2021, $18,517 (March 31, 2020 - $21,437) was outstanding to a family member of the CEO of the Company. The loan was used for general business purposes and growth. The Company makes regular payments to the family member to reduce the balance outstanding. As at March 31, 2021 such amount has been categorized as loans payable on the unaudited condensed interim consolidated statements of financial position. The balance of the loan is repayable on demand. On April 22, 2021, the Company paid the outstanding balance of the loan in full.

16. Capital Management

The Company's objective in managing capital is to ensure a sufficient liquidity position to safeguard the Company's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders. The Company defines capital as net equity and debt, comprised of issued common shares, warrants, contributed surplus and accumulated deficit, as well as mortgages and loans payable. The Company seeks to ensure that it has sufficient cash resources to maintain its ongoing operations and finance its research and development activities, corporate and administration expenses, working capital and overall capital expenditures. Since inception, the Company has primarily financed its liquidity needs through private placements of common shares, mortgages, and loans.

There have been no changes to the Company's objectives and what it manages as capital since the prior fiscal year. The Company is not subject to externally imposed capital requirements.

17. Financial Instruments and Risk Management

Financial Instruments

The Company initially recognizes cash and cash equivalents, other financial assets, short term investments, accounts receivable, other receivables, accounts payable and accrued liabilities, and convertible debentures on the date they originate. All other financial assets and financial liabilities are initially recognized on the trade date when the Company becomes a party to the contractual provisions of the instrument.

The Company derecognizes a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows on the financial asset in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred. Any interest in transferred financial assets that is created or retained by the Company is recognized as a separate asset or liability. The Company derecognizes a financial liability when its contractual obligations are discharged or cancelled or expire.

The Company measures financial instruments by grouping them into classes upon initial recognition, based on the purpose of the individual instruments. The Company initially measures all financial instruments at fair value plus, in the case of financial instruments not classified as FVTPL, transaction costs that are directly attributable to the acquisition or issuance of the financial instruments.

17. Financial Instruments and Risk Management (continued)

Fair Value Hierarchy

Financial instruments recorded at fair value are classified using a fair value hierarchy that reflects the significance of inputs used in making the measurements. The hierarchy is summarized as follows:

Level 1 – quoted prices (unadjusted) in active markets for identical assets and liabilities

Level 2 – inputs that are observable for the asset or liability, either directly (prices) or indirectly (derived from prices) from observable market data

Level 3 – inputs for assets and liabilities not based upon observable market data

As at March 31, 2021 the Company had no financial instruments. As at September 30, 2020 the Company had one (1) level 3 financial instrument – SAFE arrangements (Note 13).

The following table reconciles level 3 fair value measurements from September 30, 2020, to March 31, 2021:

As at	Notes	$
Balance as at September 30, 2020		3,125,000
SAFE arrangements converted to equity		(3,125,000)
Balance as at March 31, 2021 (unaudited)		-

Financial Risk Factors

The Company's risk exposure and the impact on the Company's financial instruments are summarized below:

Credit risk and concentration

Financial instruments that potentially subject the Company to credit risk consist primarily of cash and cash equivalents and trade receivables. Cash and cash equivalents are maintained at Canadian financial institutions, and trade and other receivables and loans receivable primarily comprise amounts due from franchisees. Credit risk associated with these receivables is mitigated for a number of reasons including the following:

- The Company's franchise base is based mostly in Ontario, which limits the concentration of credit risk.

- Prior to accepting a franchisee, the Company undertakes a detailed screening process which includes the requirement that a franchisee has sufficient financing.

- Franchisee balances beyond a particular age are reviewed and evaluated and in cases where management considers that the expected recovery is less than the actual account receivable, the Company accounts for this with a specific bad debt provision.

- The Company regularly monitors collection performance and pledged security for its loans receivables to ensure adequate payments are being received and adequate security is available. Pledged security can vary by agreement, but generally includes inventory, equipment, securities, and personal guarantees.

17. Financial Instruments and Risk Management (continued)

The aging of the Company's accounts receivable as at March 31, 2021 was as follows:

	Notes	**(Unaudited)** **March 31, 2021**	September 30, 2020
		$	
Current		**5,238**	5,238
Past due		**-**	5,838
		5,238	11,076

Since its incorporation, the Company has not incurred any significant credit loss in respect of its trade receivables. Based on consideration of all possible default events over the assets' contractual lifetime, the expected credit loss in respect of the Company's trade receivables was $Nil at March 31, 2021 and September 30, 2020.

Liquidity risk

Liquidity risk relates to the risk the Company will encounter difficulty in meeting its obligations associated with financial liabilities. The financial liabilities on its unaudited condensed interim consolidated balance sheets consist of accounts payable and accrued liabilities, and settlements payable. Management closely monitors cash flow requirements and future cash flow forecasts to ensure it has access to funds through its committed borrowing facility and from operations to meet operational and financial obligations. The Company believes it has sufficient liquidity to meet its cash requirements for the next twelve months.

As at September 30, 2020	Notes	Within 1 year	Between 1-2 years	Between 2-5 years	Total
		$	$	$	$
Trade and other payables		173,902	-	-	173,902
Loans payable		85,355	238,974	-	324,329
Due to shareholder		500,000	-	-	500,000
Lease liabilities		203,849	174,631	-	378,480
		963,106	413,605	-	1,376,711

As at March 31, 2021	Notes	Within 1 year	Between 1-2 years	Between 2-5 years	Total
		$	$	$	$
Trade and other payables		470,208	-	-	470,208
Loans payable		82,293	212,624	-	294,917
Lease liabilities		182,973	81,542	-	264,515
		735,474	294,166	-	1,029,640

17. Financial Instruments and Risk Management (continued)

Interest rate risk

The Company is subject to interest rate risk from its bank borrowings. They are comprised of both fixed rate instruments and instruments with variable interest rates. As at March 31, 2021, a 1% change in prevailing interest rates would change the annualized interest charges incurred by $3,262 (September 30, 2020 - $3,243).

Commodity price risk

The Company is exposed to increases in the prices of commodities in operating its Company-owned restaurants. To manage this exposure, the Company uses purchase arrangements for a portion of its needs for certain consumer products that may be commodities based.

18. Franchise Revenue

The Company has recognized the following items relating to revenue in the Statement of loss and Comprehensive loss: royalty revenue, franchise fee revenue, other income.

19. Selling, general and administrative

Selling, general and administrative expenses are made up of the following items: franchise support, franchise selling expense, company-owned store selling, general, administrative, and other.

20. Subsequent events

On April 14, 2021, the Company announced that pursuant to the amended and restated amalgamation agreement dated March 8, 2021, the Company has completed its previously announced transaction which constitutes the Company's Qualifying Transaction. Concurrent with the closing of the Transaction, the Company also announced the closing of its previously announced private placement of securities issuing 10,500,000 subscription receipts at $0.40 per subscription receipt raising $4,200,000 in gross proceeds.

On April 22, 2021, the Company repaid $18,517 of an outstanding balance to a family member of the CEO of the Company. The loan was used for general business purposes and growth.

Due to the on-going closures and lockdowns associated with the COVID-19 pandemic, the Company is reviewing its build-out and acquisition of additional rental space for new locations. The Company will continue to provide contactless dining experiences with its customer base and will re-open in-store dining once it has been deemed safe by the province of Ontario.

21. Restatement

The Company restated its Condensed Interim Consolidated Statements of Loss and Comprehensive Loss to account for intercompany sales that were not properly eliminated:

Three Months Ending March 31,2021	**Previously Reported**	**Corrections**	**As Restated**
	$	$	$
REVENUE			
Food Sales	306,704	-53,189	253,515
Franchise Fees	5,324		5,324
TOTAL REVENUE	312,028	-53,189	258,839
Materials and products	154,287	-53,188	101,098
Capitalized Overheads	129,231		129,231
Depreciation	52,842		52,842
TOTAL COST OF GOODS SOLD	336,360	-53,188	283,171
GROSS MARGIN	(24,332)	-	(24,332)

Six Months Ending March 31,2021	**Previously Reported**	**Corrections**	**As Restated**
	$	$	$
REVENUE			
Food Sales	566,564	-53,189	513,375
Franchise Fees	13,813		13,813
TOTAL REVENUE	580,377	-53,189	527,188
Materials and products	289,010	-53,188	235,821
Capitalized Overheads	267,235		267,235
Depreciation	102,690		102,680
TOTAL COST OF GOODS SOLD	658,935	-53,188	605,736
GROSS MARGIN	(78,548)	-	(78,548)