MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE THREE AND NINE MONTHS ENDED SEPTEMBER 30, 2022

Two Hands Corporation (the "Company") was incorporated in the state of Delaware on April 3, 2009 and on July 26, 2016, changed its name from Innovative Product Opportunities Inc. to Two Hands Corporation.

The Two Hands co-parenting application launched on July 2018 and the Two Hands Gone application launched In February 2019. The Company ceased work on these applications in 2021.

The gocart.city online consumer grocery delivery application was released in early June 2020 and Cuore Food Services commenced sale of dry goods and produce to other businesses in July 2020.

In July 2021, the Company made the strategic decision to focus exclusively on the grocery market through three on-demand branches of its grocery businesses: gocart.city, Grocery Originals, and Cuore Food Services. All three of such branches of the Company's business share industry standard warehouse storage space and inventory. The Company's inventory is updated continuously and consists of produce, meats, pantry items, bakery & pastry goods, gluten-free goods, and organic items, acquired from various different suppliers in Canada and internationally, with whom the Company and its principals have cultivated long-term relationships.

The Company received approval from the Canadian Securities Exchange (the "CSE") to list its common shares (the "Common Shares") on the CSE. Trading of the Common Shares in the capital of the Company commenced on August 5, 2022, under the symbol "TWOH".

gocart.city
gocart.city is the Company's online delivery marketplace, allowing consumers to shop online and have their groceries delivered. The gocart.city online platform stores all inventory in the Company's warehouse located at its head office in Mississauga. The aim of gocart.city is to deliver fresh and high-quality food products directly to retail consumers throughout Southern Ontario. The Company recently engaged local renowned chef, Grace DiFede, to curate a new line of meal kits and bundles to sell on the gocart.city platform alongside the Company's other grocery essentials.

The gocart.city platform is available online and through applications for handheld devices supporting iOS or Android. The features and functions of gocart.city include customers having the ability to search for products by category and name, customers saving items in their cart and being able to share their cart with others, and being able to opt-in to digital weekly alerts that provide information on promotions and discounts on certain products. gocart.city also includes standard payment options for customers, such as PayPal, American Express and Visa.

The Company also employs a social media manager to oversee and increase engagement with customers by using platforms such as Facebook, Twitter, Instagram and Google. The ads that are posted on these platforms are generic branding related to the Company, as well as the promotion of particular sale items. Moreover, the Company has an agreement with SRAX, Inc. to boost such engagement.

Grocery Originals
Grocery Originals is the Company's brick-and-mortar grocery store located in Mississauga Ontario at the site of the Company's warehouse. Grocery Originals was originally intended for curbside pickup but has expanded into a full service store, that includes a deli, cold storage, a stone pizza oven, and offering a wide variety of fresh and specialty meals curated by Grace Di Fede.

Cuore Food Services
Cuore Food Services is the Company's wholesale food distribution branch. Cuore Food Services uses inventory from the Company's warehouse as well as inventory it acquires on an ad hoc basis, and focuses on bulk delivery of goods to food service business such as restaurants, hotels, event planning/hosting businesses. Orders distributed through Cuore Food Services can be made over the phone or online through a different front-end of the gocart.city platform.

The operations of the business are carried on by Two Hands Canada Corporation, a wholly-owned subsidiary of the Company, incorporated under the laws of Canada on February 7, 2014.

Management's Plan of Operation

The Company is focused exclusively on the grocery market through three on-demand branches of its grocery businesses: gocart.city, Grocery Originals, and Cuore Food Services.

The performance of the Company's business during the COVID-19 pandemic illustrates the flexibility of its model as the Company was able to meet heightened demand with an assortment of products that met customer preferences. The Company is still early-on in its development but sees a highly scalable business with lower corporate fixed costs, providing protection in the event of an economic downturn.

Products and Services

The Company plans to continue to expand it reach to additional customers and geographies across Canada and continue to enhance its product offering with fresh, natural and organic foods.

Mobile Application

V2 of the gocart.city mobile application will be a subsequent release. The Company plans to further expand the features of the mobile application. Following the completion of V2 of the mobile application, the Company will consider user behaviour and plans to expand the functionality and features of the mobile application on an on-going basis going forward.

Operations and Logistics

The company plans to expand storage and warehousing, expand warehouse staff, add more delivery trucks and expand the delivery area.

Sales and Marketing

The Company plans on utilizing and leveraging its agreement with SRAX, Inc. to market its grocery delivery application and services and expand its footprint in the Ontario region and beyond as its customer base grows.

Critical Accounting Policies and Estimates

The preparation of financial statements and related disclosures in conformity with accounting principles generally accepted in the United States requires management to make estimates and assumptions that affect the amounts reported in the Financial Statements and accompanying notes. Estimates are used for, but not limited to, the accounting for the allowance for doubtful accounts, inventories, impairment of long-term assets, stock-based compensation, income taxes and loss contingencies. Management bases its estimates on historical experience and on various other assumptions that are believed to be reasonable under the circumstances. Actual results could differ from these estimates under different assumptions or conditions.

We believe the following critical accounting policies, among others, may be impacted significantly by judgment, assumptions and estimates used in the preparation of the Financial Statements:

GOING CONCERN

The Company's financial statements are prepared in accordance with generally accepted accounting principles applicable to a going concern. This contemplates the realization of assets and the liquidation of liabilities in the normal course of business. During the nine months ended September 30, 2022, the Company incurred a net loss of $18,760,538 and used cash in operating activities of $612,822, and on September 30, 2022, had stockholders' deficit of $1,821,696. These factors, among others, raise substantial doubt about the Company's ability to continue as a going concern for a period one year from the date that the financial statements are issued. The Company will be dependent

upon the raising of additional capital through placement of its common stock in order to implement its business plan. There can be no assurance that the Company will be successful in this situation. The Company is unable to predict the effect, if any, that the coronavirus COVID-19 global pandemic may have on its access to the financing markets. These financial statements do not include any adjustments relating to the recoverability and classification of recorded asset amounts or amounts and classifications of liabilities that might result from this uncertainty. We are currently funding our operations by way of cash advances from our Chief Executive Officer, note holders, shareholders and others. On April 14, 2022, the Company entered into a binding Grid Promissory Note and Credit Facility Agreement (the "Line of Credit") with The Cellular Connection Ltd. Pursuant to the Line of Credit, the Company can borrow from the Lender up to CAD $750,000 in principal in increments of at least CAD $50,000 upon five business days' notice. The funds due for repayment on May 1, 2024, and the principal bears interest at 8% per annum, payable monthly. As at the date of this Form 10-Q, CAD $100,000 have been borrowed by the Company pursuant to the Line of Credit. There can be no assurances that we will be able to receive further commitments, loans or advances from them or other persons in the future.

STOCK-BASED COMPENSATION

The Company accounts for stock incentive awards issued to employees and non-employees in accordance with FASB ASC 718, Stock Compensation. Accordingly, stock-based compensation is measured at the grant date, based on the fair value of the award. Stock-based awards to employees are recognized as an expense over the requisite service period, or upon the occurrence of certain vesting events. Additionally, stock-based awards to non-employees are expensed over the period in which the related services are rendered.

REVENUE RECOGNITION

In accordance with ASC 606, revenue is recognized when a customer obtains control of promised goods or services. The amount of revenue recognized reflects the consideration to which we expect to be entitled to receive in exchange for these goods or services. The provisions of ASC 606 include a five-step process by which we determine revenue recognition, depicting the transfer of goods or services to customers in amounts reflecting the payment to which we expect to be entitled in exchange for those goods or services. ASC 606 requires us to apply the following steps: (1) identify the contract with the customer; (2) identify the performance obligations in the contract; (3) determine the transaction price; (4) allocate the transaction price to the performance obligations in the contract; and (5) recognize revenue when, or as, we satisfy the performance obligation. We recognize revenue for the sale of our products upon delivery to a customer.

RECENT ACCOUNTING PRONOUNCEMENTS

In August 2020, the FASB issued ASU 2020-06, Debt—*Debt with Conversion and Other Options (Subtopic 470-20) and Derivatives and Hedging—Contracts in Entity's Own Equity (Subtopic 815-40).* This update amends the guidance on convertible instruments and the derivatives scope exception for contracts in an entity's own equity and improves and amends the related EPS guidance for both Subtopics. This standard is effective for fiscal years and interim periods within those fiscal years beginning after December 15, 2023, which means it will be effective for our fiscal year beginning January 1, 2014. Early adoption is permitted but no earlier than fiscal years beginning after December 15, 2020, including interim periods within those fiscal years. We are currently evaluating the impact of ASU 2020-06 on our consolidated financial statements.

Other recent accounting pronouncements issued by the FASB, including its Emerging Issues Task Force, the American Institute of Certified Public Accountants, and the Securities and Exchange Commission did not or are not believed by management to have a material impact on the Company's present or future consolidated financial statements.

COMPARISON OF RESULTS FOR THE THREE MONTHS ENDED SEPTEMBER 30, 2022 AND 2021

Sales, Cost of goods sold, Gross profit:

	Three months ended September 30,		Change	
	2022	2021		
	$	$	$	%
Sales	172,783	241,417	(68,634)	(28)
Cost of goods sold	159,124	201,609	(42,485)	(21)
Gross profit	13,659	39,808	(26,149)	(66)
Gross profit %	7.9%	16.5%		

Breakdown of sales by branch:

	Three months ended September 30,		Change	
	2022	2021		
	$	$	$	%
gocart.city – online delivery	9,686	28,990	(19,306)	(67)
Grocery Originals and Cuore Food Service – retail and wholesale distribution	163,097	212,427	(49,330)	(23)
Total sales	172,783	241,417	(68,636)	(28)

The gocart.city grocery delivery application was released in early June 2020 and gocart.city wholesale commenced sale of dry goods and produce to other businesses in July 2020. Our gross profit is less than expected due to the expiry and write-off of inventory during the three months ended September 30, 2022. We have carefully reviewed our inventory and do not expect further significant write-offs for expired inventory during 2022. We expect our gross profit to increase to 15% by December 31, 2022 as we reduce coupons to obtain new customers.

Operating expenses:

	Three months ended September 30,		Change	
	2022			
	$	2021$	$	%
Salaries and benefits	57,921	238,500	(180,579)	(76)
Occupancy expense	18,612	7,028	11,584	165
Advertising and travel	12,103	28,705	(16,602)	(58)
Auto expenses	9,415	914	8,501	930
Consulting	107,932	381,339	(273,407)	(72)
Depreciation and Amortization	713	411	302	73
Bad debt	8,621	—	8,621	—
Office and general expenses	23,671	6,243	17,428	279
Professional fees	55,075	30,119	24,956	83
Freight and delivery	10,389	—	10,389	—
Total operating expenses	304,452	693,259	(388,807)	(56)

Our total operating expenses for the three months ended September 30, 2022 was $304,452, compared to $693,259 for the three months ended September 30, 2021, respectively. The decrease in total operating expense is primarily due to a decrease in stock-based compensation paid to officers, directors and consultants.

Total operating expense includes stock-based compensation for the three months ended September 30, 2022 and 2021 which comprises of 0 and 0 shares of common stock issued valued at $0 and $0, respectively for consulting services.

Total operating expense also includes stock-based compensation for the three months ended September 30, 2022 and 2021 which comprises of 0 and 30,000 shares of common stock issued valued at $0, and $74,500, respectively, for salaries and compensation for our officers and directors.

Salaries and benefits for the three months ended September 30, 2021, also includes stock issued to officers and directors with a fair value of $184,500 and accrued but unpaid salary to Nadav Elituv, our Chief Executive Officer, of $54,000.

Advertising and travel includes expenses for online advertising, website, meals and entertainment.

For the three months ended September 30, 2022, consulting comprises primarily stock-based compensation expense (i) $0 for the expenditure of advertising credits with SRAX, Inc. (ii) $22,295 for consulting fees and (iii) $0 paid to contractors to manage our grocery business.

For the three months ended September 30, 2021, consulting comprises primarily stock-based compensation expense (i) $301,010 for the expenditure of advertising credits with SRAX, Inc. and (ii) $66,164 for consulting fees.

Professional fees comprise of audit, legal, filing fees and contract accountant. The increase in professional fees is primarily due our listing application with the Canadian Securities Exchange.

Other income (expense):

	Three months ended September 30,		Change	
	2022	2021		
	$	$	$	%
Amortization of debt discount and interest expense	(33,287)	(130,594)	97,307	(75)
Loss on settlement of debt	(735,300)	(7,360,278)	6,624,978	(90)
Change in fair value of derivative liabilities	—	93,626	(93,626)	(100)
Total operating expenses	(768,587)	(7,397,246)	6,628,659	(90)

Amortization of debt discount and interest expense for the three months ended September 30, 2022 was $33,287, compared to $130,594 for the three months ended September 30, 2021. Amortization of debt discount and interest expense relates to the issuance of non-redeemable convertible notes, convertible notes and promissory notes.

During the three months ended September 30, 2022 and 2021, the Company elected to convert $300 and $245,998 of principal and interest of a non-redeemable convertible note into 3,000,000 and 2,459,980 shares of common stock of the Company resulting in a loss on settlement of debt of $735,300 and $7,320,192, respectively.

During the three months ended September 30, 2022 and 2021, the holders of the convertible notes elected to convert principal and interest of $0 and $159,120 into 0 and 83,195 shares of the common stock with a fair value of $0 and $228,323 resulting in a loss on settlement of debt of $0 and $40,086, respectively.

During the three months ended September 30, 2022 and 2021, the gain (loss) due to the change in fair value of derivative liabilities was $0 and $93,626, respectively.

Net loss for the period:

	Three months ended September 30,		Change	
	2022	2021		
	$	$	$	%
Net loss attributed to Two Hands Corporation	(1,059,380)	(8,050,697)	6,991,317	(87)

Our net loss for three months ended September 30, 2022 was $1,059,380, compared to $8,050,697 for the three months ended September 30, 2021, respectively. Our losses during the three months ended September 30, 2022 and 2021 are primarily due to costs associated with professional fees, our transfer agent, investor relations, stock-based compensation paid to officers, directors and consultants and loss on settlement of debt.

COMPARISON OF RESULTS FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2022 AND 2021

Sales, Cost of goods sold, Gross profit:

	Nine months ended September 30,		Change	
	2022	2021		
	$	$	$	%
Sales	562,513	605,498	(42,985)	(7)
Cost of goods sold	534,618	527,385	7,233	1
Gross profit	27,895	78,113	(50,218)	(64)
Gross profit %	5%	12.9%		

Breakdown of sales by branch:

	Nine months ended September 30,		Change	
	2022	2021		
	$	$	$	%
gocart.city – online delivery	130,990	132,617	(1,627)	(1)
Grocery Originals and Cuore Food Service – retail and wholesale distribution	431,523	472,881	(41,358)	(9)
Total sales	562,513	605,498	(42,985)	(7)

The gocart.city grocery delivery application was released in early June 2020 and gocart.city wholesale commenced sale of dry goods and produce to other businesses in July 2020. Our gross profit is less than expected due to the expiry and write-off of inventory during the nine months ended September 30, 2022. We have carefully reviewed our inventory and do not expect further write-offs for expired inventory during 2022. We expect our gross profit to increase to 15% by December 31, 2022 as we reduce coupons to obtain new customers.

Operating expenses:

	Nine months ended September 30,		Change	
	2022	2021		
	$	$	$	%
Salaries and benefits	13,692,392	350,450	13,341,942	3807
Occupancy expense	72,567	21,221	51,346	242
Advertising and travel	78,390	49,611	28,779	58
Auto expenses	33,171	9,767	23,404	240
Consulting	814,220	1,299,676	(485,456)	(37)
Depreciation and Amortization	4,418	1,281	3,137	245
Design	—	14,734	(14,734)	(100)
Bad debt	17,949	—	17,949	—
Office and general expenses	119,882	163,443	(43,561)	(27)
Professional fees	195,596	86,821	108,775	125
Freight and delivery	57,043	—	57,043	—
Total operating expenses	15,085,628	1,997,004	13,088,624	655

Our total operating expenses for the nine months ended September 30, 2022 was $15,085,628, compared to $1,997,004 for the nine months ended September 30, 2021, respectively. The increase in total operating expense is primarily due to an increase in stock-based compensation paid to officers, directors and consultants.

Total operating expense includes stock-based compensation for the nine months ended September 30, 2022 and 2021 which comprises of 0 and 40,500 shares of common stock issued valued at $0 and $291,000, respectively for consulting services.

Total operating expense also includes stock-based compensation for the nine months ended September 30, 2022 and 2021 which comprises of 90,000,000 and 42,000 shares of common stock issued valued at $13,500,000, and $110,850, respectively, for salaries and compensation for our officers and directors.

Salaries and benefits for the nine months ended September 30, 2022, comprise primarily of stock issued to Nadav Elituv, our Chief Executive Officer with a fair value of $13,504,200.

Salaries and benefits for the nine months ended September 30, 2021, include stock issued to officers and directors with a fair value of $220,850 and accrued but unpaid salary to Nadav Elituv, our Chief Executive Officer, of $129,600.

Advertising and travel includes expenses for online advertising, website, meals and entertainment.

For the nine months ended September 30, 2022, consulting comprises primarily stock-based compensation expense (i) $415,866 for the expenditure of advertising credits with SRAX, Inc. (ii) $156,666 for consulting fees and (iii) $241,688 paid to contractors to manage our grocery business.

For the nine months ended September 30, 2021, consulting comprises primarily stock-based compensation expense (i) $777,933 for the expenditure of advertising credits with SRAX, Inc. (ii) $196,336 for consulting fees and (iii) $291,000 paid to contractors to manage our grocery business.

Professional fees comprise of audit, legal, filing fees and contract accountant. The increase in professional fees is primarily due to legal fees related to the prospectus dated April 21, 2022 filed with Ontario Securities Commission and British Columbia Securities Commission and our listing application with the Canadian Securities Exchange.

Other income (expense):

	Nine months ended September 30,		Change	
	2022	2021		
	$	$	$	%
Amortization of debt discount and interest expense	(96,055)	(261,560)	165,505	(63)
Loss on settlement of debt	(3,606,750)	(10,817,203)	7,210,453	(67)
Initial derivative expense	—	(126,322)	126,322	(100)
Change in fair value of derivative liabilities	—	194,750	(194,750)	(100)
Total operating expenses	(3,702,805)	(11,010,335)	7,307,530	(66)

Amortization of debt discount and interest expense for the nine months ended September 30, 2022 was $96,055, compared to $261,560 for the nine months ended September 30, 2021. Amortization of debt discount and interest expense relates to the issuance of non-redeemable convertible notes, convertible notes and promissory notes.

During the nine months ended September 30, 2022 and 2021, the Company elected to convert $103,140 and $416,347 of principal and interest of a non-redeemable convertible note into 22,410,000 and 3,552,025 shares of common stock with a fair value of $3,709,890 and $11,150,424 of the Company resulting in a loss on settlement of debt of $3,606,750 and $10,734,075, respectively.

During the nine months ended September 30, 2022 and 2021, the holders of the convertible notes also elected to convert 0 shares and 146,868 shares of the Company with a fair value of $0 and $446,450 resulting in a loss on settlement of debt of $0 and $83,127, respectively.

Initial derivative expense of $126,322 for the nine months ended September 30, 2021 represents the difference between the fair value of the total embedded derivative liability of 351,322 and the cash received of $225,000 for the convertible note issued on February 23, 2021.

During the nine months ended September 30, 2022 and 2021, the gain (loss) due to the change in fair value of derivative liabilities was $0 and $194,750, respectively.

Net loss for the period:

	Nine months ended September 30,		Change	
	2022	2021		
	$	$	$	%
Net loss attributed to Two Hands Corporation	(18,760,538)	(12,929,226)	(5,831,312)	45

Our net loss for nine months ended September 30, 2022 was $18,760,538, compared to $12,929,226 for the nine months ended September 30, 2021, respectively. Our losses during the nine months ended September 30, 2022 and 2021 are primarily due to costs associated with professional fees, our transfer agent, investor relations, stock-based compensation paid to officers, directors and consultants and loss on settlement of debt.

QUARTERLY RESULTS OF OPERATIONS

The following is a summary of selected quarterly information that has been derived from the financial statements of the Company. This summary should be read in conjunction with the consolidated financial statements of the Company.

Quarter Ended	**September 30, 2022**	**June 30, 2022**	**March 31, 2022**	**December 31, 2021**	**September 30, 2021**	**June 30, 2021**	**March 31, 2021**	**December 31, 2020**
Sales	$ 172,782	$ 190,691	$ 199,039	$ 324,748	$ 241,417	$ 174,774	$ 189,157	$ 96,194
Gross profit (loss)	$ 13,659	$ (6,278)	$ 20,514	$ 19,117	$ 39,808	$ 19,808	$ 18,547	$ 16,320
Operating expenses	$ (304,452)	$ 14,021,263)	$ (759,913)	$(1,270,225)	($ (693,259)	$ (446,806)	$ (856,989)	$ (836,932)
Other income (expense)	$ 768,587)	$ (2,320,020)	$ (614,198)	$(2,155,703)	$ (7,397,246)	$(1,560,110)	$(2,052,979)	$ (626,383)
Net loss for the period	$(1,059,380)	$(16,347,561)	$(1,353,597)	$(3,406,811)	$ (8,050,697)	$(1,987,108)	$(2,891,421)	$(1,446,995)
Basic and diluted net loss per share	$ (0.01)	$ (0.18)	$ (0.20)	$ (0.63)	$ (2.68)	$ (1.26)	$ (2.99)	$ (2.64)

LIQUIDITY AND CAPITAL RESOURCES

For the nine months ended September 30, 2022

Cash flows used in operating activities

	Nine months ended September 30,		Change	
	2022	2021		
	$	$	$	%
Net cash used in operating activities	(612,822)	(300,033)	(312,789)	104

Our net cash used in operating activities for the nine months ended September 30, 2022 and 2021 is $612,822 and $300,033, respectively. Our net loss for the nine months ended September 30, 2022 of $18,760,538 was the main contributing factor for our negative cash flow. We were able to mostly offset the cash used in operating activities by using our stock to pay for expenses such as amortization of prepaid expense of $576,745, stock-based compensation of $13,504,200, amortization of debt discount of $96,055 and loss on debt settlement of $3,606,750.

Cash flows used in investing activities

	Nine months ended September 30,		Change	
	2022	2021		
	$	$	$	%
Net cash used in investing activities	(9,784)	(1,945)	(7,839)	403

Our net cash (used in) provided by investing activities for the nine months ended September 30, 2022 and 2021 is $9,784 and $1,945, respectively.

Cash flows from financing activities

	Nine months ended September 30,		Change	
	2022	2021		
	$	$	$	%
Net cash from financing activities	118,791	1,070,808	(952,017)	(89)

Our net cash provided by financing activities for the nine months ended September 30, 2022 is $118,791 and $1,070,808, respectively. Cash from financing activities in 2022 is primarily due to net advances from related party. Cash from financing activities in 2021 is primarily due to the issuance of convertible notes, non-redeemable notes, promissory notes and Series B Stock.

As of September 30, 2022, we had cash of $20,846, working capital of $1,971,926 and total liabilities of $1,650,292. We believe our current cash balance is sufficient to fund our operations during the next 12 months because on April 14, 2022, the Company entered into a binding Grid Promissory Note and Credit Facility Agreement (the "Line of Credit") with The Cellular Connection Ltd. Pursuant to the Line of Credit, the Company can borrow from the Lender up to CAD $750,000 in principal in increments of at least CAD $50,000 upon five business days' notice. The funds due for repayment on May 1, 2024, and the principal bears interest at 8% per annum, payable monthly. As at the date of this Form 10-Q, CAD $100,000 have been borrowed by the Company pursuant to the Line of Credit the Company does not expect significant cash outlays for advertising in the next year as there are $2,436,811 in advertising credits with SRAX, Inc. included in prepaid expense and we expect to reduce the cash expended on contractors in the next year as we plan to pay them in shares of the Company.

SRAX Inc. provides online advertising services to the Company. SRAX, Inc. during the three months September 30, 2022 had operational issues which prevented the Company from using its prepaid advertising credits. These prepaid advertising credits have a carrying value of $2,436,811 at September 30, 2022. The Company believes that it is probable that SRAX, Inc. will resolve its operational issues during the quarter ended December 31, 2022 and resume providing advertising services to the Company. It is possible this assessment could change at December 31, 2022, which may cause the Company to write-off part or all this prepaid asset. If SRAX, Inc. does not resume advertising services to the Company, the Company expects the 80,000 shares of Series C Convertible Preferred Stock issued on June 30, 2022 to SRAX, Inc. with a carrying value of $2,288,000 will be returned to the Company for cancellation.

Our working capital as of September 30, 2022 and December 31, 2021 is as follows:

	September 30, 2022	**December 31, 2021**
Current assets	$ 2,734,453	$ 1,608,848
Current liabilities	762,527	552,998
Working capital	$ 1,971,926	$ 1,055,850

The Company is continuing to focus improving cash flows from operations by reducing incentives to customers, by making purchases from different suppliers, accelerating the collection of accounts receivable, managing accounts payable balances and by paying our officers, directors, consultants and staff with our stock.

The Company's financial statements have been prepared assuming the Company will continue as a going concern, which contemplates the realization of assets and satisfaction of liabilities in the normal course of business. During the nine months ended September 30, 2022, the Company incurred a net loss of $18,760,538 and used cash in operating activities of $612,822 and on September 30, 2022, had stockholders' deficit of $1,821,696. These factors, among others, raise substantial doubt about the Company's ability to continue as a going concern within one year of the date that the financial statements are issued. The Company's independent registered public accounting firm, in their report on the Company's financial statements for the year ended December 31, 2021, expressed substantial doubt about the Company's ability to continue as a going concern. The Company's financial statements do not include any adjustments that might result from the outcome of this uncertainty should we be unable to continue as a going concern.

Over the next 12 months we expect to expend approximately $268,000 in cash to implement our business plan.

	Cash Required to Implement of Business Plan
Operations and Logistics	$ 20,000
General and Administration	248,000
Total Estimated Cash Expenditures	$ 268,000

We hope to be able to compensate our independent contractors with stock-based compensation, which will not require us to use our cash, although there can be no assurances that we will be successful in these efforts.

We believe we have sufficient cash to pay for our business plan and to pay for our other overhead costs for the next twelve months because on April 14, 2022, the Company entered into a binding Line of Credit with The Cellular Connection Ltd. Pursuant to the Line of Credit, the Company can borrow from the Lender up to CAD $750,000 in principal. If required, we expect to be able to secure additional capital through advances from our Chief Executive Officer, note holders, shareholders and others in order to pay expenses such as organizational costs, filing fees, accounting fees and legal fees, however, we do not have any written or oral agreements with any other third parties which require them to fund our operations. Although there can be no assurances that we will be able to obtain such funds in the future, the Company has been able to secure financing to continue operations since its inception on April 3, 2009. We are currently quoted on OTC Pink. The Company is unable to predict the effect, if any, that the coronavirus COVID-19 global pandemic may have on its access to the financing markets. If we need additional capital in the next twelve months and if we cannot raise such capital on acceptable terms, we may have to curtail our operations or terminate our business entirely.

The inability to obtain financing or generate sufficient cash from operations could require us to reduce or eliminate expenditures for developing products and services, or otherwise curtail or discontinue our operations, which could have a material adverse effect on our business, financial condition and results of operations. Furthermore, to the extent that we raise additional capital through the sale of equity or convertible debt securities, the issuance of such securities may result in dilution to existing stockholders. If we raise additional funds through the issuance of debt securities, these securities may have rights, preferences and privileges senior to holders of our common stock and the terms of such debt could impose restrictions on our operations. Regardless of whether our cash assets prove to be inadequate to meet our operational needs, we will seek to compensate providers of services by issuing stock in lieu of cash, which may also result in dilution to existing stockholders.

We are currently funding our operations by way of cash advances from our Chief Executive Officer, note holders, shareholders and others. We hope to be able to compensate our independent contractors with stock-based compensation, which will not require us to use our cash, although there can be no assurances that we will be successful in these efforts. On April 14, 2022, the Company entered into a binding Line of Credit with The Cellular Connection Ltd. Pursuant to the Line of Credit, the Company can borrow from the Lender up to CAD $750,000 in principal. We believe our current cash balance and the Line of Credit is sufficient to fund our operations during the next 12 months The loans from our Chief Executive Officer, note holders, shareholders and others are unsecured and non-interest bearing and have no set terms of repayment. Our common stock started trading over the counter and has been quoted on the Over-The Counter Bulletin Board since February 17, 2011. The stock currently trades under the symbol “TWOH.OB.”

Commitments for future capital expenditures at September 30, 2022 is as follows:

	Payments Due by Period				
Contractual obligations	Total $	Less than 1 year $	1 - 3 years $	4 – 5 years $	After 5 years $
Accounts payable and accrued liabilities	685,944	685,944	—	—	—
Debt	425,490	46,783	73,006	305,701	—
Deferred revenue	21,774	21,774	—	—	—
Non-redeemable convertible notes	492,023	—	—	492,023	—
Financial lease Obligations	—	—	—	—	—
Operating leases[(1)]	25,061	8,026	17,035	—	—
Purchase obligations	—	—	—	—	—
Total contractual obligations	1,650,292	762,527	90,041	797,724	—

Notes:

(1) Leases for retail space, equipment and warehousing is currently month to month. Deliveries are currently outsourced.

OPERATING CAPITAL AND CAPITAL EXPENDITURE REQUIREMENTS

We are currently funding our operations by way of cash advances from our Chief Executive Officer, note holders, shareholders and others. We hope to be able to compensate our independent contractors with stock-based compensation, which will not require us to use our cash, although there can be no assurances that we will be successful in these efforts. On April 14, 2022, the Company entered into a binding Line of Credit with The Cellular Connection Ltd. Pursuant to the Line of Credit, the Company can borrow from the Lender up to CAD $750,000 in principal. We believe our current cash balance and the Line of Credit is sufficient to fund our operations during the next 12 months The loans from our Chief Executive Officer, note holders, shareholders and others are unsecured and non-interest bearing and have no set terms of repayment. Our common stock started trading over the counter and has been quoted on the Over-The Counter Bulletin Board since February 17, 2011. The stock currently trades under the symbol “TWOH.OB.”

RELATED PARTY TRANSACTIONS

Nine months ended September 30, 2022 and 2021

Due to Related Party

As of September 30, 2022 and December 31, 2021, advances and accrued salary of $40,715 and $39,985, respectively, were due to Nadav Elituv, the Company's Chief Executive Officer. The balance is non-interest bearing, unsecured and have no specified terms of repayment.

During the nine months ended September 30, 2022, the Company issued advances due to related party for $133,156 of expenses paid on behalf of the Company and advances due to related party were repaid by the Company with $92,325 in cash. In addition, the Company accrued salary of $146,916 due to Nadav Elituv for the nine months ended September 30, 2022 and issued a promissory note for $77,308 to settle due to related party.

During the nine months ended September 30, 2021, the Company issued advances due to related party for $90,680 of expenses paid on behalf of the Company and advances due to related party were repaid by the Company with $83,747 in cash. In addition, the Company accrued salary of $129,600 due to Nadav Elituv for the nine months ended September 30, 2021, issued 60,000 shares of Series A Convertible Preferred Stock with a fair value of $207,500 to settled salary due and issued a promissory note for $19,572 to settle due to related party.

During the nine months ended September 30, 2022, the Company paid Linus Creative Services, a business owned by Bradley Southam, a director or the Company, $25,259 for advertising services.

Promissory Note – Related Party

As of September 30, 2022, promissory note – related party of $81,173 (principal $77,308 and interest of $3,865) and $0, respectively, were outstanding. The promissory notes – related party bear interest of 10% per annum, are unsecured, mature on December 31, 2025 and are due to 2130555 Ontario Limited, a Company controlled by Nadav Elituv, the Company's Chief Executive Officer.

During the nine months ended September 30, 2021, the Company issued promissory notes – related party of $19,572 for $3,400 to settle accrued liabilities and $16,172 of expenses paid on behalf of the Company.

Our policy with regard to transactions with related persons or entities is that such transactions must be on terms no less favorable than could be obtained from non-related persons.

The above related party transactions are not necessarily indicative of the amounts that would have been incurred had a comparable transaction been entered into with an independent party. The terms of these transactions were more favorable than would have been attained if the transactions were negotiated at arm's length.

PROPOSED TRANSACTIONS

The Company is not anticipating any transactions.

CHANGES IN ACCOUNTING POLICIES INCLUDING INITIAL ADOPTION

Refer to Note 2 in the condensed consolidated financial statements for the nine months ended September 30, 2022 and Note 2 in the condensed consolidated financial statement for the nine months ended September 30, 2022 for information on accounting policies.

FINANCIAL INSTRUMENTS

The main risks of the Company’s financial instrument are exposed to are credit risk, market risk, foreign exchange risk, and liquidity risk.

Credit risk

The Company’s credit risk is primarily attributable to trade receivables. Trade receivables comprise of amounts due from other businesses from the sale of groceries and dry goods. The Company mitigates credit risk through approvals, limits and monitoring. The amounts disclosed in the consolidated balance sheet are net of allowances for expected credit losses, estimated by the Company’s management based on past experience and specific circumstances of the customer. The Company manages credit risk for cash by placing deposits at major Canadian financial institutions.

Market risk

Market risk is the risk that changes in market prices and interest rates will affect the Company’s net earnings or the value of financial instruments. These risks are generally outside the control of the Company. The objective of the Company is to mitigate market risk exposures within acceptable limits, while maximizing returns. The Company’s market risk consists of risks from changes in foreign exchange rates, interest rates and market prices that affect its financial liabilities, financial assets and future transactions.

Refer to Note 2 in the condensed consolidated financial statements for the nine months September 30, 2022 and Note 2 in the condensed consolidated financial statements.

Foreign Exchange risk

Our revenue is derived from operations in Canada. Our consolidated financial statements are presented in U.S. dollars and our liabilities other than trade payable are primarily due in U.S. dollars. The revenue we earn in Canadian dollars is adversely impacted by the increase in the value of the U.S. dollar relative to the Canadian dollar.

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 our consolidated balance sheets consist of accounts payable and accrued liabilities, due to related party, notes payable, convertible notes, net, derivative liabilities, promissory notes, promissory notes – related party and non-redeemable convertible notes, Management monitors cash flow requirements and future cash flow forecasts to ensure it has access to funds through its existing cash 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.

OUTSTANDING SHARE DATA

As of November 14, 2022, the following securities were outstanding:

Common stock: 132,402,624 shares
Series A Convertible Preferred Stock: 25,000
Series B Convertible Preferred Stock: 11,000
Series C Convertible Preferred Stock: 90,000
Series E Convertible Preferred Stock: 169,675

OFF-BALANCE SHEET TRANSACTIONS

We currently have no off-balance sheet arrangements that have or are reasonably likely to have a current or future material effect on our financial condition, changes in financial condition, revenues or expenses, results of operations, liquidity, capital expenditures or capital resources.