MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE THREE AND SIX MONTHS ENDED JUNE 30, 2022

General

The following Management's Discussion and Analysis (the "**MD&A**") of the condensed consolidated balance sheets and condensed consolidated statements of operations and comprehensive income (loss) for Two Hands Corporation (the "Company", "we" or "us") is for the quarter ended June 30, 2022. It is supplemental to and should be read in conjunction with the Company's condensed consolidated financial statements (the "**Financial Statements**") and the accompanying notes for the quarter ended June 30, 2022. All dollar figures included herein are expressed in United States dollars unless stated otherwise.

The accompanying condensed consolidated financial statements of Two Hands Corporation have been prepared without audit pursuant to the rules and regulations of the Securities and Exchange Commission requirements for interim financial statements. Therefore, they do not include all of the information and footnotes required by accounting principles generally accepted in the United States for complete financial statements.

The date of this interim MD&A is August 15, 2022.

Forward-Looking Statements

Certain statements in this MD&A constitute Forward-Looking statements or information (collectively, "**Forward-Looking Information**"), which means disclosure regarding possible events, conditions, acquisitions, or results of operations that is based on assumptions about future conditions and courses of action and include future-oriented financial information with respect to prospective results of operations, financial position or cash flows that is presented either as a forecast or a projection, and also includes, but is not limited to, statements with respect to the future financial and operating performance of the Company. Often, but not always, Forward-Looking statements can be identified by the use of words such as "plans", "proposes", "expects", "is expected", "budget", "scheduled", "estimates", "potential", "strategies", "forecasts", "intends", "anticipates", or "believes" or variations (including negative variations) of such words or phrases, or statements that certain actions, events or results "could", "would", "might" or "will" be taken, occur or be achieved.

Forward-Looking statements included or incorporated by reference in this MD&A include, but are not limited to, statements with respect to: continued development of Company's business; the Company's growth strategy; regulatory and related approvals; the Company's planned milestones and timing of same; product launch and expansion activities; research activities; and liquidity, working capital, and capital expenditures.

Forward-Looking Information involves known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of the Company to be materially different from any future results, performance or achievements expressed or implied by the Forward-Looking Information. The Forward-Looking Information is not historical fact, but rather is based on the Company's current plans, objectives, goals, strategies, estimates, assumptions and projections about its industry, business and future financial results. Actual results could differ materially from those discussed in such Forward-Looking Information. As a result, actual actions, events or results may differ materially from those described in Forward-Looking Information, and there may be other factors that cause actions, events or results to differ from those anticipated, estimated or intended including, without limitation, those referred to in the Prospectus under the heading "Risk Factors" and elsewhere. Although Forward-Looking Information contained in this MD&A is based upon what management of the Company believes are reasonable assumptions, the Company cannot assure investors that actual results will be consistent with the Forward-Looking Information.

Forward-Looking Information contained herein is as of the date of this MD&A, and the Company disclaims any obligation to update any Forward-Looking Information, whether as a result of new information, future events or results or otherwise, except as required by law. There can be no assurance that Forward-Looking Information will prove to be accurate, as actual results and future events could differ materially from those anticipated. Accordingly, readers should not place undue reliance on Forward-Looking Information due to the inherent uncertainty therein. Material risk factors that could cause actual results to differ materially from the Forward-Looking Information are contained under the heading "Risk Factors".

The discussion and analysis in this MD&A is based on information available to management as of August 15, 2022.

Description of Business

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.

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 six months ended June 30, 2022, the Company incurred a net loss of $17,701,158 and used cash in operating activities of $506,838, and on June 30, 2022, had stockholders' deficit of $3,340,562. 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, no funds 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 JUNE 30, 2022 AND 2021

Sales, Cost of goods sold, Gross profit:

	Three months ended June 30,		Change	
	2022	2021		
	$	$	$	%
Sales	190,691	174,774	15,917	9
Cost of goods sold	196,969	154,966	42,003	27
Gross profit (loss)	(6,278)	19,808	(26,086)	(132)
Gross profit %	(3.3%	11.3%		

Breakdown of sales by branch:

	Three months ended June 30,		Change	
	2022	2021		
	$	$	$	%
gocart.city – online delivery	54,677	48,585	6,092	13
Grocery Originals and Cuore Food Service – retail and wholesale distribution	136,014	126,189	9,825	8
Total sales	190,691	174,774	15,917	9

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 June 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 June 30,		Change	
	2022			
	$	2021$	$	%
Salaries and benefits	13,571,665	53,800	13,517,865	25,126
Occupancy expense	25,309	7,224	18,085	250
Advertising and travel	19,169	9,670	9,499	98
Auto expenses	11,739	5,778	5,961	103
Consulting	282,145	260,231	21,914	8
Depreciation and Amortization	747	439	308	70
Design	0	9,713	(9,713)	(100)
Bad debt	9,328	0	9,328	—
Office and general expenses	21,478	81,560	(60,082)	(74)
Professional fees	58,199	18,391	39,808	216
Freight and delivery	21,484	—	21,484	—
Total operating expenses	14,021,263	446,806	13,574,457	3,038

Our total operating expenses for the three months ended June 30, 2022 was $14,021,263, compared to $446,806 for the three months ended June 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 three months ended June 30, 2022 and 2021 which comprises of 0 and 10,500 shares of common stock issued valued at $0 and $21,000, respectively for consulting services.

Total operating expense also includes stock-based compensation for the three months ended June 30, 2022 and 2021 which comprises of 90,000,000 and 8,000 shares of common stock issued valued at $13,500,000, and $16,000, respectively, for salaries and compensation for our officers and directors.

Salaries and benefits for the three months ended June 30, 2022, comprise primarily of stock issued to Nadav Elituv, our Chief Executive Officer with a fair value of $13,500,000.

Salaries and benefits for the three months ended June 30, 2021, also includes stock issued to officers and directors with a fair value of $16,000 and accrued but unpaid salary to Nadav Elituv, our Chief Executive Officer, of $37,800.

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

For the three months ended June 30, 2022, consulting comprises primarily stock-based compensation expense (i) $143,184 for the expenditure of advertising credits with SRAX, Inc. (ii) $65,445 for consulting fees and (iii) $73,473 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):

	Three months ended June 30,		Change	
	2022	2021		
	$	$	$	%
Amortization of debt discount and interest expense	(32,570)	(61,068)	28,498	(47)
Loss on settlement of debt	(2,287,450)	(1,517,348)	(770,102)	51
Initial derivative expense	—	(14,206)	14,206	(100)
Change in fair value of derivative liabilities	—	32,511	32,511	(100)
Total operating expenses	(2,320,020)	(1,560,111)	(759,909)	49

Amortization of debt discount and interest expense for the three months ended June 30, 2022 was $32,570, compared to $61,067 for the three months ended June 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 June 30, 2022 and 2021, the Company elected to convert $1,840 and $102,264 of principal and interest of a non-redeemable convertible note into 18,400,000 and 639,721 shares of common stock of the Company resulting in a loss on settlement of debt of $2,287,450 and $1,517,348, respectively.

Initial derivative expense of $14,206 for the three months ended June 30, 2021 represents the difference between the fair value of the total embedded derivative liability of $89,206 and the cash received of $75,000 for the convertible note issued on May 27, 2021.

During the three months ended June 30, 2022 and 2021, the gain (loss) due to the change in fair value of derivative liabilities was $0 and $32,511, respectively.

Net loss for the period:

	Three months ended June 30,		Change	
	2022	2021		
	$	$	$	%
Net loss attributed to Two Hands Corporation	(16,347,561)	(1,987,108)	(14,360,453)	723

Our net loss for three months ended June 30, 2022 was $16,347,561, compared to $1,987,108 for the three months ended June 30, 2021, respectively. Our losses during the three months ended June 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 SIX MONTHS ENDED JUNE 30, 2022 AND 2021

Sales, Cost of goods sold, Gross profit:

	Six months ended June 30,		Change	
	2022	2021		
	$	$	$	%
Sales	389,730	364,081	25,649	7
Cost of goods sold	375,494	325,776	49,718	15
Gross profit	14,236	38,305	(24,069)	(63)
Gross profit %	3.7%	10.5%		

Breakdown of sales by branch:

	Six months ended June 30,		Change	
	2022	2021		
	$	$	$	%
gocart.city – online delivery	121,305	103,627	17,678	17
Grocery Originals and Cuore Food Service – retail and wholesale distribution	268,425	260,454	7,971	3
Total sales	389,730	364,081	25,649	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 six months ended June 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:

	Six months ended June 30,		Change	
	2022	2021		
	$	$	$	%
Salaries and benefits	13,634,471	111,950	13,522,521	12,079
Occupancy expense	53,955	14,193	39,762	280
Advertising and travel	66,286	20,906	45,380	217
Auto expenses	23,757	8,853	14,904	168
Consulting	706,289	918,337	(212,048)	(23)
Depreciation and Amortization	3,706	870	2,836	326
Design	0	15,029	(15,029)	(100)
Bad debt	9,328	—	9,328	—
Office and general expenses	96,208	156,905	(60,697)	(39)
Professional fees	140,521	56,702	83,819	148
Freight and delivery	46,655	—	46,655	—
Total operating expenses	14,781,176	1,303,745	13,477,431	1,034

Our total operating expenses for the six months ended June 30, 2022 was $14,781,176, compared to $1,303,745 for the six months ended June 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 six months ended June 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 six months ended June 30, 2022 and 2021 which comprises of 90,000,000 and 12,000 shares of common stock issued valued at $13,500,000, and $36,350, respectively, for salaries and compensation for our officers and directors.

Salaries and benefits for the six months ended June 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 six months ended June 30, 2021, include stock issued to officers and directors with a fair value of $36,350 and accrued but unpaid salary to Nadav Elituv, our Chief Executive Officer, of $75,600.

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

For the six months ended June 30, 2022, consulting comprises primarily stock-based compensation expense (i) $415,866 for the expenditure of advertising credits with SRAX, Inc. (ii) $130,171 for consulting fees and (iii) $156,051 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):

	Six months ended June 30,		Change	
	2022	2021		
	$	$	$	%
Amortization of debt discount and interest expense	(62,768)	(130,966)	68,198	(52)
Loss on settlement of debt	(2,871,450)	(3,456,925)	585,475	(17)
Initial derivative expense	—	(126,322)	126,322	(100)
Change in fair value of derivative liabilities	—	101,124	(101,124)	(100)
Total operating expenses	(2,934,218)	(3,613,089)	678,871	(19)

Amortization of debt discount and interest expense for the six months ended June 30, 2022 was $62,768, compared to $130,966 for the six months ended June 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 six months ended June 30, 2022 and 2021, the Company elected to convert $102,840 and $170,349 of principal and interest of a non-redeemable convertible note into 19,410,000 and 1,092,045 shares of common stock of the Company resulting in a loss on settlement of debt of $2,871,450 and $3,413,884, respectively.

During the six months ended June 30, 2022 and 2021, the holders of the convertible notes also elected to convert 0 shares and 63,672 shares of the Company with a fair value of $0 and $218,127 resulting in a loss on settlement of debt of $0 and $43,041, respectively.

Initial derivative expense of $126,322 for the six months ended June 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 six months ended June 30, 2022 and 2021, the gain (loss) due to the change in fair value of derivative liabilities was $0 and $101,124, respectively.

Net loss for the period:

	Six months ended June 30,		Change	
	2022	2021		
	$	$	$	%
Net loss attributed to Two Hands Corporation	(17,701,158)	(4,878,529)	12,822,629	263

Our net loss for six months ended June 30, 2022 was $17,701,158, compared to $4,878,529 for the six months ended June 30, 2021, respectively. Our losses during the six months ended June 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	**June 30, 2022**	**March 31, 2022**	**December 31, 2021**	**September 30, 2021**	**June 30, 2021**	**March 31, 2021**	**December 31, 2020**	**September 30, 2020**
Sales	$ 190,691	$ 199,039	$ 324,748	$ 241,417	$ 174,774	$ 189,157	$ 96,194	$ 54,838
Gross profit (loss)	$ (6,278)	$ 20,514	$ 19,117	$ 39,808	$ 19,808	$ 18,547	$ 16,320	$ 2,344
Operating expenses	$ (14,021,263)	$ (759,913)	$ (1,270,225)	$ (693,259)	$ (446,806)	$ (856,989)	$ (836,932)	$ (1,626,144)
Other income (expense)	$ (2,320,020)	$ (614,198)	$ (2,155,703)	$ (7,397,246)	$ (1,560,110)	$ (2,052,979)	$ (626,383)	$ (629,210)
Net loss for the period	$ (16,347,561)	$ (1,353,597)	$ (3,406,811)	$ (8,050,697)	$ (1,987,108)	$ (2,891,421)	$ (1,446,995)	$ (2,253,010)
Basic and diluted net loss per share	$ (0.18)	$ (0.20)	$ (0.63)	$ (2.68)	$ (1.26)	$ (2.99)	$ (2.64)	$ (11.83)

LIQUIDITY AND CAPITAL RESOURCES

For the six months ended June 30, 2022

Cash flows used in operating activities

	Six months ended June 30,		Change	
	2022	2021		
	$	$	$	%
Net cash used in operating activities	(506,838)	(165,818)	(341,020)	206

Our net cash used in operating activities for the six months ended June 30, 2022 and 2021 is $506,838 and $165,818, respectively. Our net loss for the six months ended June 30, 2022 of $17,701,158 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 $546,038, stock-based compensation of $13,504,200, amortization of debt discount of $62,768 and loss on debt settlement of $2,871,450.

Cash flows used in investing activities

	Six months ended June 30,		Change	
	2022	2021		
	$	$	$	%
Net cash used in investing activities	—	(1,200)	—	—

Our net cash (used in) provided by investing activities for the six months ended June 30, 2022 and 2021 is $0 and $1,200, respectively.

Cash flows from financing activities

	Six months ended June 30,		Change	
	2022	2021		
	$	$	$	%
Net cash from financing activities	25,840	264,285	(238,445)	(90)

Our net cash provided by financing activities for the six months ended June 30, 2022 is $25,840 and $264,285, 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 and promissory notes.

As of June 30, 2022, we had cash of $49,131, working capital of $2,167,226 and total liabilities of $1,413,607. 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, no funds 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.

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

	June 30, 2022	**December 31, 2021**
Current assets	$ 2,789,536	$ 1,608,848
Current liabilities	622,310	552,998
Working capital	$ 2,167,226	$ 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 six months ended June 30, 2022, the Company incurred a net loss of $17,701,158 and used cash in operating activities of $506,838 and on June 30, 2022, had stockholders' deficit of $3,340,562. 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 $384,000 in cash to implement our business plan.

	Cash Required to Implement of Business Plan
Estimated remaining Canadian Securities Exchange listing costs	$ 25,000
Operations and Logistics	30,000
General and Administration	248,000
Total Estimated Cash Expenditures	$ 303,000

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 June 30, 2022 is as follows:

	Payments Due by Period				
	Total	Less than 1 year	1 - 3 years	4 – 5 years	After 5 years
Contractual obligations	$	$	$	$	$
Accounts payable and accrued liabilities	579,288	579,288	—	—	—
Debt	339,178	34,516	—	304,662	—
Non-redeemable convertible notes	466,223	—	—	466,223	—
Financial lease Obligations	—	—	—	—	—
Operating leases[1]	28,918	8,506	20,412	—	—
Purchase obligations	—	—	—	—	—
Total contractual obligations	1,413,607	622,310	20,412	770,885	—

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

Six months ended June 30, 2022 and 2021

Due to Related Party

As of June 30, 2022 and December 31, 2021, advances and accrued salary of $28,420 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 six months ended June 30, 2022, the Company issued advances due to related party for $97,079 of expenses paid on behalf of the Company and advances due to related party were repaid by the Company with $71,239 in cash. In addition, the Company accrued salary of $99,013 due to Nadav Elituv for the six months ended June 30, 2022 and issued a promissory note for $82,740 to settle due to related party.

During the six months ended June 30, 2021, the Company issued advances due to related party for $43,454 of expenses paid on behalf of the Company and advances due to related party were repaid by the Company with $50,705 in cash. In addition, the Company accrued salary of $75,600 due to Nadav Elituv for the six months ended June 30, 2021, issued 30,000 shares of Series A Convertible Preferred Stock with a fair value of $110,000 to settled salary due and issued a promissory note for $19,571 to settle due to related party.

During the six months ended June 30, 2022, the Company paid Linus Creative Services, a business owned by Bradley Southam, a director of the Company, $16,984 for advertising services.

Promissory Notes – Related Party

As of June 30, 2022, promissory note – related party of $84,808 (principal $82,740 and interest of $2,068) 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 six months ended June 30, 2021, the Company issued promissory notes – related party of $19,571 for $3,400 to settle accrued liabilities and $16,171 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 six months ended June 30, 2022 and Note 2 in the condensed consolidated financial statement for the six months ended June 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 six months June 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 August 12, 2022, the following securities were outstanding:

Common stock: 123,415,558 shares
Series A Convertible Preferred Stock: 25,000
Series B Convertible Preferred Stock: 17,000
Series C Convertible Preferred Stock: 90,000

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.