

Last Mile Holdings Ltd.

Management's Discussion and Analysis

June 30, 2020

(Expressed in United States dollars)

The following discussion and analysis is management's assessment of the results and financial condition of Last Mile Holdings Ltd. (the "Company" or "Last Mile") and should be read in conjunction with the accompanying unaudited condensed interim consolidated financial statements for the three months ended June 30, 2020, and related notes contained, and the audited consolidated financial statements for the year ended December 31, 2019. The Company reports its consolidated financial position, results of operations and cash flows in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board. The effective date of this report is October 15, 2020.

All amounts contained herein are expressed in United States dollars, the Company's presentation currency, unless otherwise stated.

Description of Business

The Company is a light vehicle mobility solutions company operating in the United States and is one of the largest micro-mobility companies in the US based on its contracts with universities and municipalities, most of which are exclusive. With the acquisition of Gotcha Mobility LLC ("Gotcha Mobility") in February 2020 (see "Gotcha Acquisition"), the Company offers a broad product suite of mobility product types for rideshare programs and delivery services, including bikes, stand-up scooters, and seated scooters.

The Company was formed through a business combination with Arcturus Ventures Inc. ("Arcturus") and 1148486 BC Ltd ("1148486") pursuant to which the Company effected a reverse takeover of Arcturus, (the "RTO") a TSX Venture Exchange listed entity ("TSXV"), and the resulting issuer changed its name to OjO Electric Corp. in October 2019. In February 2020, the Company changed its name to Last Mile Holdings Ltd and its ticker is "MILE" and in September 2020 began trading on the OTCQB market under the ticker AZNVF expanding its exposure to US investors.

Respect for city planning and infrastructure as well as public safety are all top priorities for Last Mile. The company has never launched in any market without community support. This partnership-first approach has led to a long-standing, trusted market reputation. Last Mile's end-to-end management of operations enables quality control and best-in-class safety standards.

2020 Highlights

In the six months ended June 30, 2020, the Company:

- Successfully closed the acquisition of Gotcha Mobility in February 2020, a long-established brand in the micro mobility space with contracts enabling the Company to deploy in numerous locations across the US;
- Raised an additional \$6,454,975 from the issuance of equity in connection with the Gotcha Mobility transaction;
- As a result of the acquisition of Gotcha Mobility and subsequent financing, the MVS share structure collapsed and the 140,000 MVS shares outstanding were converted to 140,000 LVS;
- Appointed Louis Lucido, founding partner of the US\$148 billion investment management firm DoubleLine Capital, as Chair of the Company's Board of Directors;
- Announced growth in operations with an over 200% in total monthly ride minutes from 416,600 minutes in January 2020 to 1,281,500 minutes ridden in May 2020; and
- Increased vehicles deployed by 17% from January 2020 to May 2020 and experienced a significant increase in usage where vehicles have only increased 17% and usage 208%.

Last Mile Holdings Ltd.

Management's Discussion and Analysis

June 30, 2020

(Expressed in United States dollars)

Subsequent to June 30, 2020, the Company:

- Closed a private placement to raise C\$7.8 million at a price of C\$0.075 per LVS, with a commitment of C\$1.65 million in bridge financing which was converted into shares of the financing;
- Announced the launch of an all-new fleet of redesigned e-bikes which use proprietary elements to offer a more comfortable ride, smoother electric motor and longer battery life;
- Announced plans to launch 2,500 new e-bikes, 1,000 new e-scooters and 400 cruisers across 10 cities and four universities across the United States; and
- Appointed a new Chief Financial Officer, Kate Marley, effective July 6, 2020. Marley has three decades of financial and accounting expertise to bring to MILE.

As of the date of this MD&A, the Company's Board consists of: Louis Lucido, (chair), Maxwell Smith (CEO), Doug Deluca, and Brian O'Neill.

Outlook

The Company is currently one of the largest micro-mobility companies in the US by number of contracts, and offers the broadest product suite in the industry. Last Mile has a portfolio of exclusive, long-term contracts to operate shared mobility systems at over 25 colleges and universities and over 40 municipalities under the OjO and Gotcha brands. The Company's plan for the remainder of 2020 is to continue to deploy vehicles into its contracts and build long term relationships with its university and municipal partners, providing safe, environmentally and socially responsible micro-mobility solutions. While 2020 has thus far brought significant uncertainties, the impact of the pandemic (noted below) has also put the spotlight on micro-mobility solutions that provide socially-distant transportation solutions, which is bringing unique opportunities to the Company.

In the six months ended June 30, 2020, there was a global outbreak of a new strain of coronavirus, COVID-19. The global and domestic response to the COVID-19 pandemic continues to rapidly evolve. Thus far, certain responses to the COVID-19 outbreak have included mandates from federal, state and/or local authorities that required temporary closure of many businesses and cessation of public events. This outbreak has led to substantial changes with transportation in and around cities, including potential restrictions on day to day businesses as well as acceptable forms of transportation. These impact of COVID-19 has added significant uncertainties on the demand for the Company's mobility solutions which could result in a material impact to the Company's future results of operations, cash flows and financial condition.

Additional information relating to the Company is available on SEDAR at www.sedar.com.

Gotcha Mobility Transaction

In February 2020, the Company completed its acquisition of Gotcha Mobility, announced in November 2019. Pursuant to a Membership Interest Purchase Agreement dated January 20, 2020, as amended, the Company acquired all of the outstanding securities of Gotcha Mobility (and its wholly owned subsidiaries) (the "Acquisition") from Gotcha Media Holdings, LLC (the "Vendor") in consideration for the payment of \$6 million in cash, of which \$250,000 was paid on closing of the Acquisition ("Closing"), \$750,000 was paid through the issuance of a deferred promissory note due on the six-month anniversary of Closing, and \$5 million was paid through the issuance of a second deferred promissory note due on the second anniversary of Closing. The Company also issued 11,637,500 LVS to the Vendor, and has agreed to issue \$2.5 million in LVS to the Vendor, subject to satisfaction of certain conditions, on the six-month anniversary of Closing, such shares to be issued at a deemed price equal to the five day volume weighted average price (VWAP) of the Company's LVS as traded on the TSXV immediately before the date of issuance, subject to a

Last Mile Holdings Ltd.

Management's Discussion and Analysis

June 30, 2020

(Expressed in United States dollars)

minimum price of C\$0.05. The Company also funded certain operating expenditures of Gotcha Mobility of \$250,000 in February 2020.

The combined OjO and Gotcha footprint and pipeline provides a near-term growth opportunity. Last Mile is leveraging the strong brand, partnership networks and consumer base built by the Gotcha Mobility team over 10 years in the micro-mobility sector. The consumer-facing rideshare brand will continue to operate under the Gotcha Mobility name. Last Mile is currently integrating the tech platform so that its entire branded suite of products will be available on the Gotcha app. Formerly a separate public entity, OjO now represents a branded product offering available through the Gotcha Mobility network.

The Gotcha acquisition has expanded the Company's pipeline to include contracts with more than 25 universities and more than 40 municipalities across the US. Gotcha is currently operating in over 30 locations, and has deployed over 4,000 vehicles, which include bikes, e-bikes, and stand-up scooters. Since the acquisition in February 2020, (and despite COVID-19) Gotcha has launched in 5 locations, including bringing multi-model solutions to Dallas, one of the first locations ever to offer multiple forms of micro mobility, including both stand up and seated scooters.

The acquisition of Gotcha has been accounted for as a business combination where the Company acquired 100% ownership in Gotcha. The total consideration includes the cash paid in February 2020, loans payable, LVS shares issued in February 2020 and August 2020, as well as working capital adjustment currently being negotiated and estimated at \$54,739, for total estimated consideration of \$12,304,739 as follows:

Cash paid	\$	500,000
Working capital adjustment - currently being negotiated		54,739
Shares issued - 11,637,500 LVS issued		3,500,000
Shares issued August 2020 - 25,932,283 LVS issued		2,500,000
Loans payable - currently being negotiated in conjunction with the settlement of the working capital adjustment		750,000
Loans payable - due February 2022		5,000,000
Total consideration:	\$	12,304,739

The initial purchase price is allocated on a provisional basis to the fair value of the net identifiable assets based on the Company's best estimates of fair value. The ultimate valuation of the net assets acquired, including the fair value of equipment and all identifiable intangible assets will be finalized within 12 months of the acquisition date.

Last Mile Holdings Ltd.
 Management's Discussion and Analysis
 June 30, 2020
 (Expressed in United States dollars)

Cash	\$	507
Receivables & current assets		447,163
Equipment		2,999,024
Intangible		148,645
Goodwill		12,666,291
Current liabilities		(1,383,760)
Leases payable		(724,045)
Deferred revenue		(1,849,086)
Net assets acquired:	\$	12,304,739

The acquisition of Gotcha provides the Company with over 70 contracts to deploy their ridesharing systems, as well as an established workforce and operations. The initial estimate of goodwill realized in the acquisition is the result of executed contracts, an assembled work force, and synergies expected from fully combining and integrating Gotcha's operations with those of the Company. This estimate of consideration and purchase price allocation is a provisional and subject to change.

Overall Performance and Results of Operations

The first quarter of 2020, which included the acquisition of Gotcha Mobility, was a key step in establishing the Company as a significant market competitor in micro mobility in the United States. By the end of March 2020, the Company was operating in 28 markets and had 3,300 vehicles in operation, a 214% increase in vehicles deployed since December 31, 2019.

During the second quarter of 2020, we operated 20 systems including the relaunch of Dallas which represented the first system with both Ojo scooters and Gotcha scooters running as a multi modal system. During the quarter, 9 pedal bike markets were paused at the request of our operating partners out of concerns related to COVID 19, however most of our pedal bike systems continued to make partner payments to us during this period. At the end of June 2020, we operated 3,160 vehicles compared to 3,300 vehicles in operation at the end of March 2020.

Three months ended June 30, 2020 and 2019

Loss and comprehensive loss for the three months ended June 30, 2020 increased to \$3,421,351 from \$961,805 for the three months ended June 30, 2019. The results for the three months ended June 30, 2020 are not comparable to the three months ended June 30, 2019 as the Company was not public and only three locations were operating in 2019, while the June 30, 2020 figures include the results of Gotcha since its acquisition on February 28, 2020.

The key components of the Company's loss for the three months ended June 30, 2020 include:

- Revenues from rideshare systems of \$1,062,666 (2019 – \$110,197);
- Cost of ridesharing services of \$732,459 which include both fixed and variable fees paid, such as fees paid to in market partners who managed the maintenance and deployment of the fleet;
- Equity-based compensation expense was \$342,105 for the three months ended June 30, 2020, compared to \$23,541 for the three months ended June 30, 2019, as the Company granted additional Class B units and options in late 2019 that are continuing to vest through 2020;
- Professional fees were \$118,497 for the three months ended June 30, 2020, up slightly from \$110,235 the previous year;

Last Mile Holdings Ltd.

Management's Discussion and Analysis

June 30, 2020

(Expressed in United States dollars)

- Salaries, wages and management fees were \$1,432,832 for the three months ended June 30, 2020 compared to \$344,213 the prior year which did not include Gotcha with over 40 employees; and
- Selling, general and administrative expenses were \$430,549 for the three months ended June 30, 2020, which consists of marketing costs incurred to promote the Company's ridesharing businesses as well as investor relations, and an overall increase as a result of the Gotcha acquisitions and additional related overhead.

Six months ended June 30, 2020 and 2019

Loss and comprehensive loss for the six months ended June 30, 2020 increased to \$6,537,719 from \$2,328,309 for the six months ended June 30, 2019. The results for the six months ended June 30, 2020 are not comparable to the six months ended June 30, 2019, as the Company was not public and had only three locations in 2019, while the June 30, 2020 figures include the results of Gotcha since its acquisition on February 28, 2020.

The key components of the Company's loss for the six months ended June 30, 2020 included:

- Revenues from rideshare systems were \$1,356,250 (2019 - \$155,608), of which \$1,189,100 represents the income earned from Gotcha for from its acquisition on February 28, 2020;
- Cost of ridesharing services of \$1,148,034 which include both fixed and variable fees paid, such as fees paid to in market partners who managed the maintenance and deployment of the fleet, including costs for historical OjO markets; costs for customer service support, and merchant costs;
- Equity-based compensation expense was \$675,510 for the six months ended June 30, 2020, compared to \$596,771 for the six months ended June 30, 2019;
- Professional fees were \$342,597 for the six months ended June 30, 2020, relating to additional support for the acquisition of Gotcha;
- Salaries, wages and management fees were \$2,269,965 for the six months ended June 30, 2020 and the increase is due to the expansion of the team with Gotcha with over 40 employees; and
- Selling, general and administrative expenses were \$1,186,336 for the six months ended June 30, 2020, which consists significantly of marketing costs incurred to promote the Company's ridesharing business as well as for investor relations, and an overall increase as a result of the Gotcha acquisition and additional related overhead.

Liquidity and Capital Resources

At June 30, 2020, the Company had a working capital deficit of \$4,452,772 as compared to working capital deficit of \$1,971,257 at December 31, 2019, and cash of \$275,368 (December 31, 2019 - \$719,529).

The Company will need to raise additional funds within the short term to continue to be able to operate, meet its commitments and execute its growth strategy as it moves towards profitable operations. In August 2020, the Company closed a financing for proceeds of C\$7.8 million, including a commitment for C\$1.65 million. Although the Company has been successful in the past in obtaining financing, there is no assurance that it will be able to obtain adequate financing in the future or that such financing will be on terms that are acceptable to the Company. These material uncertainties may cast significant doubt about the Company's ability to continue as a going concern.

Last Mile Holdings Ltd.

Management's Discussion and Analysis

June 30, 2020

(Expressed in United States dollars)

Selected Quarterly Information

The following table sets forth a comparison of information for the previous eight quarters ending with June 30, 2020:

	Q2 2020	Q1 2020	Q4 2019	Q3 2019
	\$	\$	\$	\$
Revenue	1,062,666	293,584	174,531	116,328
Loss and comprehensive loss	(3,473,177)	(3,042,046)	(16,226,726)	(2,365,498)
Basic and diluted loss per share	(0.04)	(0.04)	(0.51)	NA*

	Q2 2019	Q1 2019	Q4 2018	Q3 2018
	\$	\$	\$	\$
Revenue	110,197	45,411	125,325	220,415
Loss and comprehensive loss	(961,805)	(1,366,504)	(1,063,841)	(569,032)
Basic and diluted loss per share	NA*	NA*	NA*	NA*

*Basic and diluted loss per share has not been presented for the periods prior to the Company's RTO in October 2019, as the Company was a limited liability corporation that had elected to be a partnership and thus had no shares outstanding.

Outstanding Share Data

Outstanding as of the date of this MD&A were 178,697,668 common shares, 19,061,693 New Common A Units held by third parties, 7,069,707 Class B Units, 3,606,667 share options, and 130,226,329 warrants outstanding.

Related Party Transactions

Key management personnel include those persons having the authority and responsibility of planning, directing and executing the activities of the Company. The Company has determined that its key management personnel consist of the Company's directors and officers.

Key management personnel compensation during the six months ended June 30, 2020 and 2019 were as follows:

	June 30, 2020	June 30, 2019
Salaries and wages	\$ 303,448	\$ 152,881
Equity-based compensation	478,893	579,115
	\$ 782,341	\$ 731,996

There were no other transactions with related parties during the six months ended June 30, 2020 and 2019. There are no amounts owing to related parties as at June 30, 2020 other than accrued payroll of \$150,000.

Last Mile Holdings Ltd.

Management's Discussion and Analysis
June 30, 2020
(Expressed in United States dollars)

Financial Instruments and Risk Management

Financial Risk Management

Cash, accounts receivable, accounts payable and accrued liabilities, and loans payable are held at amortized cost which approximates fair value due to the short-term nature of these instruments.

Financial Instrument Risk Exposure

The Company is exposed in varying degrees to a variety of financial instrument related risks. The type of risk exposure and the way in which such exposure is managed is provided as follows:

Credit risk

Credit risk arises from the potential for non-performance by counterparties of contractual financial obligations. The maximum credit exposure at June 30, 2020 is the carrying amount of cash and accounts receivable. The Company does not have significant credit risk with respect to customers as the customers are largely municipalities and universities, and the Company generally invoices in advance of services provided.

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company attempts to ensure there is sufficient liquidity to meet short-term business requirements, taking into account its current cash position and potential funding sources. As at June 30, 2020, the Company's financial liabilities consist of accounts payable and accrued liabilities, and loans payable, all of which have maturities of less than one year. The Company manages its liquidity risk by reviewing its capital requirements on an ongoing basis. As at June 30, 2020, the Company had current liabilities of \$6,818,394 and working capital deficit of \$4,452,772.

Market Risk

Market risk is the risk of loss that may arise from changes in market factors, such as interest rates, foreign exchange rates, and commodity and equity prices. The Company does not have a practice of trading derivatives.

Foreign exchange risk

Foreign currency risk is the risk that the fair values of future cash flows of a financial instrument will fluctuate because they are denominated in currencies that differ from the Company's functional currency. The majority of the Company's transactions are transacted in the functional currency of the subsidiary to which the transaction relates and therefore the Company is not exposed to significant foreign exchange risk.

Interest rate risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to interest rate risk relates to its ability to earn interest income on cash balances at variable rates. Changes in short-term interest rates will not have a significant effect on the fair value of the Company's cash account.

Last Mile Holdings Ltd.

Management's Discussion and Analysis
June 30, 2020
(Expressed in United States dollars)

Off-balance Sheet Arrangements

The Company does not utilize off-balance sheet arrangements.

Proposed Transaction

The Company does not have any proposed transactions as of the date of this MD&A.

Critical Accounting Estimates

The presentation of consolidated financial statements in conformity with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the consolidated financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates and would impact future results of operations and cash flows. The Company's significant accounting estimates and judgements are detailed in Note 2 of the financial statements and include: going concern, equipment and intangible asset useful lives, impairment of non-financial assets, revenue recognition, functional currency assessment, deferred taxes, business combination, and equity-based payment arrangements,

Risks and Uncertainties

The Company's risk factors are set out in the Filing Statement of the Company (formerly Arcturus) which is available on SEDAR at www.sedar.com.

Management's Report on Internal Control over Financial Reporting

In connection with National Instrument ("NI") 52-109 (Certification of Disclosure in Issuer's Annual and Interim Filings) adopted in December 2008 by each of the securities commissions across Canada, the Chief Executive Officer and Chief Financial Officer of the Company will file a Venture Issuer Basic Certificate with respect to the financial information contained in the unaudited condensed interim consolidated financial statements and the audited annual consolidated financial statements and respective accompanying Management's Discussion and Analysis.

The Venture Issuer Basic Certification does not include representations relating to the establishment and maintenance of disclosure controls and procedures and internal control over financial reporting, as defined in NI 52-109.

Forward-Looking Statements

Some of the statements contained in this management discussion and analysis may be deemed "forward-looking statements." These include estimates and statements that describe the Company's future plans, objectives or goals, and expectations of a stated condition or occurrence. Forward-looking information can often be identified by forward-looking words such as "anticipate", "believe", "expect", "goal", "plan", "intend", "estimate", "may" and "will" or similar words suggesting future outcomes, or other expectations, objectives or statements about future events or performance. These risks and uncertainties could cause or contribute to actual results that are materially different from those expressed or implied.

Actual results relating to, among other things, results of exploration, reclamation, capital costs, and the Company's financial condition and prospects, could differ materially from those currently anticipated in such

Last Mile Holdings Ltd.

Management's Discussion and Analysis

June 30, 2020

(Expressed in United States dollars)

statements for many reasons such as, but not limited to: changes in general economic conditions and conditions in the financial markets; changes in demand and prices for the minerals the Company expects to produce; litigation, legislative, environmental and other judicial, regulatory, political and competitive developments; technological and operational difficulties encountered in connection with the Company's activities; and changing foreign exchange rates and other matters discussed in this management discussion and analysis.