

From: [Nathan](#)
To: [Sunny Puri](#)
Cc: [Michael Roussel](#)
Subject: RE: Facedrive
Date: Wednesday, July 22, 2020 10:33:17 AM
Attachments: [image001.gif](#)

Nathan Anderson, CFA, CAIA | Founder | O: (917) 378-1158 | www.hindenburgresearch.com |

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From: Sunny Puri <spuri@ansonfunds.com>
Sent: Wednesday, July 22, 2020 10:14 AM
To: Nathan <nathan@hindenburgresearch.com>
Cc: Michael Roussel <mroussel@ansonfunds.com>
Subject: RE: Facedrive

Nate, attached minor comments.

Overall, we think there are a critical few things that need to be integrated into the business:

1. This is a stock promote with no tangible business. **yes**
2. There are virtually no cars on the road (covid further wrecked the business) – really need to emphasize this. **We can mention the impact of COVID.**
3. Sayan has a failure in his past (can be put in later on). **yes**

We should add the following:

- Facedrive vs Uber/Lyft, its quite hefty, do we need this much? Perhaps remove the balance sheet section (ie. \$10bn vs \$10m) and replace it with a sentence on the matter. The key takeaway here which should be said in bold capital size 20 font up front is that **there are no cars on the road...**that impairs the rideshare and food delivery business. **Charts take a second to read even if it takes up screenspace. But it very clearly shows how outmatched they are.**
- They misrepresented the number of drivers they have on the drive side...mirep always a big thing, should imply. **They state the number of registered drivers without stating the number of active drivers. It's likely a true statement but we debunk it.**
- Re medtronics,
 - We should imply this might explain the meteoric rise of a company with no analyst coverage and no media coverage. **Meteoric rise yes**
 - We should imply that oilprice might be connected to sayan, hence the insane payment. **Not without further evidence. The insane payment is its own implication.**
 - We should state that in our view, the regulators won't like this. **I rarely mention regulators unless we are sure it's a total dead-on fraud.**
- Show the head of technology doubles at sayan's other co
 - And show the conflicts with dependableIT. **That role ended in 2018 so its not clear that there is an active conflict. The LinkedIn profile just seems stale.**

Need to layer in, even if in a sentence or two, the historic failure at CreativeVistas, even a

paragraph would do that states:

- The company had high expectations, never achieved them, stock was down 99% and sayan bought the assets for \$1 (happy to resend sources if helpful). **Yes can add this is definitely important**
- We believe this is important because it shows a pattern and how the story ends

We should consider adding:

- This is a haywood RTO. **Not sure that anyone long this thing will have any idea what that means but can put it in.**
- There is no research coverage. **Not sure this is going to matter, and would not want to imply that it becomes a better buy if some bucket shop does decide to start covering it.**
- There is no press coverage. **There is some, particularly around tracescan and some of their other announcements. They post 19 media articles on their website:**
<https://www.facedrive.com/topic/news-media/>
- They have every buzz word in the book at the company (already poorly integrated)
- Re medtronics
 - Should we question whether the ultimate beneficiary was disclosed to the TSXV?
 - Should we state that the disclosure was 2 months late

-Sunny Puri | Anson Funds

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From: Nathan <nathan@hindenburgresearch.com>

Sent: July 21, 2020 11:36 PM

To: Michael Roussel <mroussel@ansonfunds.com>

Cc: Sunny Puri <spuri@ansonfunds.com>

Subject: RE: Facedrive

See attached. Unedited but it should give a flavor. Still needs organization/editing and fact checking of course but let me know if any ideas or needs jump out based on what we have thus far.

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From: Michael Roussel <mroussel@ansonfunds.com>

Sent: Sunday, July 19, 2020 9:04 PM

To: Nathan <nathan@hindenburgresearch.com>

Cc: Sunny Puri <spuri@ansonfunds.com>

Subject: FW: Facedrive

2nd

From: William Melek <william.melek@uwaterloo.ca>

Sent: Monday, June 29, 2020 1:26 AM
To: Michael Roussel <mroussel@ansonfunds.com>
Subject: Re: Facedrive

Hi Michael,

Thanks for the email. Actually, we changed the scope of this project with Facedrive to focus on contact tracing within the workplace. We are negotiating a new agreement with the company now that the focus of the project has shifted a bit.

Thanks

William

On Jun 29, 2020, at 1:00 AM, Michael Roussel <mroussel@ansonfunds.com> wrote:

Hi William,

Thank you for getting back to me earlier and hope you are well. If you're still available to chat on the project this would be hugely appreciated.

It's a very intriguing project and sorely needed, though a few weeks ago I saw [news](#) of a national contact tracing app, I'm curious what you and the team make of this.

Thanks so much,

Mike

From: William Melek <william.melek@uwaterloo.ca>
Sent: Saturday, May 16, 2020 10:53 PM
To: Michael Roussel <mroussel@ansonfunds.com>
Subject: Re: Facedrive

Hi Michael,

Thank you for your email. At present we are still finalizing the partnership agreement with Facedrive in order to start this project on contact tracing. We anticipate that the agreement will be signed in the next two weeks. I will be happy to chat with you about this project as soon as we sign the agreement.

All the best,

William

On May 16, 2020, at 9:09 PM, Michael Roussel <mroussel@ansonfunds.com> wrote:

Hi William,

I'm an analyst at a Toronto-based hedge fund and recently came across a quote of yours in a recent Facedrive article. I'm curious if you have a moment to speak on TraceScan, your collaboration with the company? I'm curious about the app itself as well as Facedrive/University of Waterloo's relative contribution.

Your time is greatly appreciated,

Michael Roussel | Anson Funds

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