

RESULTS OF OPERATIONS

Three months ended June 30, 2021

Net loss

The net loss for the three months ended June 30, 2021 of \$327,927 (\$0.02 per share) compares to \$211,238 (\$0.01 per share) for the three months ended June 30, 2020, representing an increase in net loss of \$116,689. The increase in net loss was mainly attributable to the increase in expenses during the current period. A net loss position is expected in the next period.

During the three months ended June 30, 2021, Sobe Organics contributed net loss of \$28,547 (2020 - \$70,036) to the Corporation's consolidated results.

Expenses

The expenses for the three months ended June 30, 2021 of \$334,198 compares to \$207,200 for the three months ended June 30, 2020, representing an increase in expenses of \$126,998. The increase in expenses was mainly attributable to the increase in advertising and promotion to \$6,836 from \$2,924 in 2020, increase in consulting fees to \$39,716 from \$9,000 in 2020, increase in general and administrative expenses to \$11,746 from \$10,467 in 2020, increase in salaries to \$74,453 from \$42,087 in 2020, increase in professional fees to \$24,748 from \$79 in 2020, increase in selling expenses to \$555 from \$Nil in 2020, increase in share-based compensation to \$72,000 from \$Nil in 2020, and increase in travel to \$1,882 from (\$3) in 2020. The increase in expenses was mainly due to increased corporate activity during the current period.

During the three months ended June 30, 2021, Sobe Organics contributed expenses of \$30,851 (2020 - \$64,679) to the Corporation's consolidated results.

Nine months ended June 30, 2021

Net loss

The net loss for the nine months ended June 30, 2021 of \$1,692,679 (\$0.10 per share) compares to \$537,128 (\$0.03 per share) for the nine months ended June 30, 2020, representing an increase in net loss of \$1,149,851. The increase in net loss was mainly attributable to the increase in expenses during the current period. A net loss position is expected in the next period.

During the nine months ended June 30, 2021, Sobe Organics contributed net loss of \$84,665 (2020 - \$89,866) to the Corporation's consolidated results.

Expenses

The expenses for the nine months ended June 30, 2021 of \$1,719,368 compares to \$522,818 for the nine months ended June 30, 2020, representing an increase in expenses of \$1,196,550. The increase in expenses was mainly attributable to the increase in advertising and promotion to \$18,296 from \$2,924 in 2020, increase in consulting fees to \$80,666 from \$30,433 in 2020, increase in transfer agent, filing, and listing fees to \$61,697 from \$36,178 in 2020, increase in investor relations to \$113,423 from \$14,015 in 2020, increase in professional fees to \$75,218 from \$32,476 in 2020, increase in salaries to \$115,043 from \$42,087 in 2020, increase in selling expenses to \$1,555 from \$Nil in 2020, and increase in share-based compensation to \$985,485 from \$Nil in 2020. The increase in expenses was mainly due to increased corporate activity during the current period.

During the nine months ended June 30, 2021, Sobe Organics contributed expenses of \$107,387 (2020 - \$74,237) to the Corporation's consolidated results.

Segmented disclosure

The Corporation operates their business in two segments, as follows:

- Investing in blockchain technology solutions for capital markets and other sectors
- Sale of health and beauty products – operated by the Corporation’s subsidiary, Sobe Organics Inc.

Revenues for the nine months ended June 30, 2021 and 2020 as follows:

	Blockchain	Health and beauty products	Total
	\$	\$	\$
For the nine months ended June 30, 2021			
Sales	76	106,718	106,794
Cost of sales	-	(68,650)	(68,650)
Gross profit	76	38,068	38,144
For the nine months ended June 30, 2020			
Sales	-	24,946	24,946
Cost of sales	-	(40,575)	(40,575)
Gross margin	-	(15,629)	(15,629)