

mobio technologies

Mobio Technologies Inc.

MANAGEMENT'S DISCUSSION AND ANALYSIS

FOR THE YEARS ENDED

JULY 31, 2019 AND 2018

TO OUR SHAREHOLDERS**November 28, 2019****MANAGEMENT'S DISCUSSION AND ANALYSIS**

The following is management's discussion and analysis ("MD&A") of Mobio Technologies Inc.'s ("Mobio" or the "Company") operating and financial results for the years ended July 31, 2019 and 2018 as well as information and expectations concerning the Company's outlook based on currently available information. This report is dated November 28, 2019.

This MD&A should be read in conjunction with the Company's audited annual financial statements for the years ended July 31, 2019 and 2018. Additional information is available at www.sedar.com.

Management is responsible for the preparation and integrity of the financial statements, including the maintenance of appropriate information systems, procedures and internal controls and to ensure that information used internally or disclosed externally, including the consolidated financial statements and MD&A, is complete and reliable. The Company's Board of Directors follows recommended corporate governance guidelines for public companies to ensure transparency and accountability to shareholders. The Board's audit committee meets with management no less than quarterly to review the financial statements including the MD&A and to discuss other financial, operating and internal control matters.

CAUTION REGARDING FORWARD-LOOKING INFORMATION

This MD&A contains forward-looking information including the Company's future plans. The use of any of the words "target", "plans", "anticipate", "continue", "estimate", "expect", "may", "will", "project", "should", "believe" and similar expressions are intended to identify forward-looking statements. Such forward looking information, including but not limited to statements pertaining to Company's future plans and management's belief as to the Company's potential involve known and unknown risks uncertainties, which could be significant, and other factors which may cause the actual results of the Company and its operations to be materially different from estimated costs or results expressed or implied by such forward-looking statements. Forward looking information is based on management's expectations regarding future growth, results of operations, future capital and other expenditures (including the amount, nature and sources of funding for such expenditures), business prospects and opportunities. These risks related to forward looking information include, but are not limited to: the risks associated with the commercial viability of any technologies the Company is in the process of developing or deploying, delays or changes in plans with respect to any technologies, costs and expenses, the risk of foreign exchange rate fluctuations, risks associated with securing the necessary regulatory approvals and financing to proceed with any planned business venture, product development or deployment, and risks and uncertainties regarding the potential to economically scale and bring to profitability any of the Company's current or planned endeavors. Although the Company has attempted to take into account important factors that could cause actual costs or results to differ materially, there may be other factors that cause the results of the Company's business to not to be as anticipated, estimated or intended.

There can be no assurance that such statements will prove to be accurate as actual results and future events could differ materially from those anticipated in such statements. See the Risk Management section of this MD&A for a further description of these risks. The forward-looking information included in this MD&A is expressly qualified in its entirety by this cautionary statement. Accordingly, readers should not place undue reliance on forward-looking information.

1. SUMMARY OF OPERATIONS AND EVENTS

The Company was originally incorporated under the Business Corporations Act (Alberta) on November 19, 1998. On December 6, 2012, the Company changed its name to LX Ventures Inc. and was continued into British Columbia under the Business Corporations Act (British Columbia). On July 7, 2014, the Company again changed its name to Mobio Technologies Inc.

Development of the Company's Business

On February 22, 2019, the Company completed a plan of arrangement whereby the shares of one of the Company's subsidiaries, Plank Ventures Ltd. (formerly 0968998 B.C. Ltd.) ("Plank"), was distributed to the shareholders of the Company and Plank ceased to be a subsidiary of the Company. Pursuant to the plan of arrangement, all of the Company's portfolio investments were transferred to Plank. In accordance with IFRS 10, as the Company has a variable interest in Plank through an intercompany receivable and has the same directors and shareholders as Plank, the Company meets the criteria for having control over Plank and, therefore, the consolidated financial statements include the assets, liabilities, revenues and expenses of Plank and its subsidiary. The portion of equity attributable to the shareholders of Plank is included in as a separate component of equity in the consolidated statements of financial position.

Additional information is available at www.sedar.com.

On November 7, 2018, Plank acquired 100% of the issued and outstanding common shares of Exahash Cryptomining Corp. ("Exahash"), a cryptomining company by exercising warrants for \$2,500. The acquisition was treated as a business combination. In accordance with IFRS 3 "Business Combinations", the assets acquired, and liabilities assumed are measured at their fair value at the acquisition date and the excess value of the consideration above the fair value of the net assets acquired is recognized as goodwill.

The Company purchased 333,334 Series B Convertible Preferred Shares ("Series B Shares") in the capital of Votigo Inc. ("Votigo"), for a price of USD \$0.90 per Series B Share, or USD \$300,000 in the aggregate. The Company will be purchasing an additional 777,777 Series B Shares at USD \$0.90 per Series B Share, or USD \$699,999 in the aggregate within one year of the completion date. The Company is the only holder of Series B Shares.

As part of the transaction, the Company also purchased 834,349 Series A Convertible Preferred Shares ("Series A Shares") out of a total issued and outstanding 1,668,695 Series A Shares, for a purchase price of \$0.8333 per Series A Share, or USD \$695,263 in the aggregate. USD \$347,632 of the purchase price will be paid in cash at closing, and the remainder \$347,631 will be paid in shares of Plank if Plank's shares become listed on a securities exchange, at a volume weighted average price of Plank's shares for the first 30 days of listing. If the Company does not list its shares on an exchange prior to nine months after closing, then it must pay the remainder of the purchase price in cash.

Over the past several years, Mobio has completed a series of acquisitions that give it a footprint in the social media space. The Company is now focused primarily on one of these acquired assets, Strutta.com Media Inc. ("Strutta"). Strutta is a social promotions platform that allows brands to run contests and sweepstakes across multiple social web channels.

Share Consolidation

During the year ended July 31, 2018, the Company consolidated its common shares on the basis of 1 new share for every 2 old shares (the "Consolidation").

All comparative references herein to the number of shares, options, warrants, weighted average number of common shares and loss per share have been restated for the Consolidation, including all such numbers presented for the prior year.

Financing Activities

On January 30, 2019, the Company completed the second tranche of a private placement financing issuing 4,766,666 units at a price of \$0.075 per unit for gross proceeds of \$357,500. Each unit consisted of one common share and one-half of one share purchase warrant, whereby each whole warrant entitles the holder to purchase an additional common share of the Company at a price of \$0.10 for a period of two years from the date of issuance.

On January 29, 2019, the Company received a loan in the amount of \$700,000 from a company with a common director and a common officer. The loan is unsecured and bears interest at 10%. Principal and any unpaid interest are due on January 29, 2021. The loan was originally recorded at face value of \$700,000 less the value of the equity component of the loan, determined by discounting the loan at an appropriate market rate of interest, of \$108,147. During the year ended July 31, 2019, the Company recorded \$60,307 (year ended July 31, 2018 - \$Nil) in interest and accretion on the loan. The balance of the loan at July 31, 2019 is \$652,160.

On January 25, 2019, the Company completed the first tranche of a private placement financing issuing 10,966,668 units at a price of \$0.075 per unit for gross proceeds of \$822,500. Each unit consisted of one common share and one-half of one share purchase warrant, whereby each whole warrant entitles the holder to purchase an additional common share of the Company at a price of \$0.10 for a period of two years from the date of issuance. Finders' fees of \$1,125 and 15,000 finders' warrants with a value of \$602 were issued in connection with the private placement.

On November 9, 2018, the Company issued 3,994,779 common shares to settle short-term and long-term debt of \$359,530. Of the total debt settled, \$99,051 was owing to a company controlled by the CEO of the Company.

On November 8, 2018, the Company received a loan in the amount of \$64,777 (US \$50,000) from a company controlled by an officer. The loan is unsecured, due on demand and bears interest at 10%. During the year ended July 31, 2019, the Company recorded \$4,834 (year ended July 31, 2018 - \$Nil) in interest on the loan. The balance of the loan at July 31, 2019, including an exchange loss of \$920, is \$70,531.

On August 30, 2018, the Company received a loan in the amount of \$379,828 (US\$300,000) from a company controlled by an officer. The loan is unsecured and bears interest at 10%. Principal and any unpaid interest are due on August 30, 2020. The loan was originally recorded at face value of \$379,828 less the value of the equity component of the loan, determined by discounting the loan at an appropriate market rate of interest, of \$57,836. During the year ended July 31, 2019, the Company recorded \$64,934 (year ended July 31, 2018 - \$Nil) in interest and accretion on the loan. The balance of the loan at July 31, 2019, including an exchange loss of \$12,024 is \$398,950.

On August 20, 2018, the Company received a loan in the amount of \$50,000 from a company with a common director and officer. The loan was unsecured and bore interest at 10%. Principal and any unpaid interest were due on August 20, 2020. During the year ended July 31, 2019, the Company repaid the loan and accrued interest in the amount of \$51,006 through the issuance of common shares (noted above).

On August 17, 2018, the Company received a loan in the amount of \$200,000 from company with a common shareholder. The loan was unsecured and bore interest at 10%. Principal and any unpaid interest were due on August 17, 2020. During the year ended July 31, 2019, the Company repaid the loan and accrued interest in the amount of \$204,193 through the issuance of common shares.

2. EARNINGS AND EXPENSES

Following is a discussion of the Company's consolidated financial results for the years and three months ended July 31, 2019 and 2018. The consolidated financial statements of the Company for the years ended July 31, 2019 and 2018 have been prepared in accordance with International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board ("IASB") and interpretations of the International Financial Reporting Interpretations Committee ("IFRIC"). All inter-company balances and transactions have been eliminated upon consolidation.

Three Months Ended July 31, 2019 and 2018

Revenue

The Company's revenues primarily consist of software licensing fees and usage fees generated by Strutta.

The Company's revenues for the three-month period ended July 31, 2019, were \$9,532 compared to \$12,691 for the three months ended July 31, 2018, a decrease of \$3,159.

Expenses

The Company's expenses for the three-month period ended July 31, 2019, were \$197,901 compared to \$187,854 for the three-month period ended July 31, 2018, an increase of \$10,047. The major differences are described below:

- An increase of \$12,909 in personnel costs related to the acquisition of Exahash;
- A decrease of \$6,632 in regulatory and filing fees partially related to a trademark registration fee of \$4,000 paid in the prior year quarter;
- A decrease of \$1,968 in share-based payments. Share-based payments are related to stock options that were issued in 2018 and are vesting over time.

Other items for the three months ended July 31, 2019 were \$145,118 compared to \$158,538. Finance costs of \$87,706 compared to \$21,156 in 2018. An impairment of goodwill of \$123,083 compared to \$Nil in 2018. An impairment of investments \$32,188 compared to \$150,000 recorded in the quarter ended July 31, 2018 is largely related to an impairment of \$150,000 on one of the Company's former investments.

Years Ended July 31, 2019 and 2018

Revenue

The Company's revenues primarily consist of software licensing fees and usage fees generated by Strutta.

The Company's revenues for the year ended July 31, 2019, were \$45,730 compared to \$71,200 for the year ended July 31, 2018, a decrease of \$25,470. The decrease in revenue is due to a decrease in Strutta services income.

Expenses

The Company's expenses for the year ended July 31, 2019, were \$786,490 compared to \$851,152 for the year ended July 31, 2018, a decrease of \$64,662. The major variances are described below:

- A decrease of \$52,513 in personnel costs related to a reduction in Strutta staff as well as the payment of \$15,000 in consulting fees related to financing in the prior year;
- An increase of \$70,682 in professional fees related to the plan of arrangement;
- A decrease of \$64,009 in share-based payments due to the fact that no options were granted in the current year and options that vest over time are front loaded so that the highest expense is incurred in the early vesting periods;

- A decrease of \$43,538 foreign exchange due to the receipt of US dollar denominated loans from a related party in the amount of USD \$350,000 and an unrealized foreign exchange gain related to a decrease in the value of the US dollar compared to the Canadian dollar in the current period.

Other items for the year ended July 31, 2019 totaled to a loss of \$94,878 compared to \$171,841 for the year ended July 31, 2018. The major differences are described below:

- An increase in finance costs of \$130,798 due to the new loans advanced to the Company in the period from August 1, 2018 to January 31, 2019;
- A reduction in investment impairment of \$117,812;
- An impairment of goodwill of \$123,083;
- A reversal of accounts payable of \$222,223 resulting in a gain to the Company.

The Company's loss per share is illustrated in the following table:

Loss Per Share Calculation	Weighted Average		
	Shares Outstanding	Net Loss	Loss Per Share
Three months ended July 31, 2018	18,419,433	\$ (333,701)	\$ (0.02)
Three months ended July 31, 2019	38,147,546	\$ (333,487)	\$ (0.01)
Year ended July 31, 2018	15,886,228	\$ (951,793)	\$ (0.06)
Year ended July 31, 2019	29,358,200	\$ (553,315)	\$ (0.02)

3. LIQUIDITY AND CAPITAL RESOURCES

At July 31, 2019, the Company had working capital of \$172,331, compared to a working capital deficit of \$956,338 at July 31, 2018. Management has been actively engaged in developing new business, curtailing costs and in securing the resources necessary from internal and external sources to fulfill all of the Company's planned activities.

On January 30, 2019, the Company completed the second tranche of a private placement financing issuing 4,766,666 units at a price of \$0.075 per unit for gross proceeds of \$357,500. Each unit consisted of one common share and one-half of one share purchase warrant, whereby each whole warrant entitles the holder to purchase an additional common share of the Company at a price of \$0.10 for a period of two years from the date of issuance.

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On August 17, 2018, the Company received a loan in the amount of \$200,000 from company with a common shareholder. The loan was unsecured and bore interest at 10%. Principal and any unpaid interest were due on August 17, 2020. During the year ended July 31, 2019, the Company repaid the loan and accrued interest, in the amount of \$204,193, through the issuance of common shares (noted above).

The Company's continued activities over the long term are dependent upon the Company's ability to raise additional capital in the future, achieve profitability, monetize one or more of its proprietary technologies, or reduce discretionary expenditures.

4. SELECTED QUARTERLY INFORMATION

The following table provides a brief summary of the Company's financial results for each of the eight most recent quarters. For additional information pertaining to the Company's quarterly results, please refer to the Company's audited annual consolidated financial statements for the years ended July 31, 2019, and 2018, to the Company's condensed consolidated interim financial statements for corresponding periods, and to the MD&A for each period presented, which are available at www.sedar.com.

SUMMARY OF QUARTERLY RESULTS								
	Jul. 31	Apr. 30	Jan. 31	Oct. 31	Jul. 31	Apr. 30	Jan. 31	Oct. 31
Quarter ended	2019	2019	2019	2018	2018	2018	2018	2017
Revenue	\$ 9,532	\$ 8,970	\$ 15,083	\$ 12,145	\$ 12,691	\$ 7,435	\$ 24,394	\$ 26,680
Expenses	197,901	154,687	227,029	206,873	192,520	209,799	240,027	208,806
Net income (loss)	(333,487)	(155,575)	(127,017)	(219,559)	(333,701)	(207,485)	(227,363)	(183,244)
Earnings (loss) per share, basic and diluted	(0.01)	(0.00)	(0.00)	(0.01)	(0.02)	(0.01)	(0.02)	(0.01)

5. RELATED PARTY TRANSACTIONS

Payments to key management and directors, for the years ended July 31, 2019 and 2018 were as follows:

	2019	2018
Management fees paid to current and former directors and/or officers, or to companies controlled by directors and/or officers	\$ 187,774	\$ 165,000
Share-based payments to directors and officers	607	46,727
Total compensation	\$ 188,381	\$ 211,727

Fees paid to directors and officers are included in the line item "Personnel" in the Company's consolidated statements of comprehensive loss.

Interest and accretion recorded on related party loans for the years ended July 31, 2019 and 2018 were as follows:

	2019	2018
Interest and accretion accrued on loans payable to companies with a common director and officer or to companies controlled by directors and/or officers or by significant shareholders	\$ 204,406	\$ 68,320

Included in accrued liabilities at July 31, 2019 is \$60,000 (July 31, 2018 - \$240,000) owing to an officer of the Company and included in trade payables is \$25,370 (July 31, 2018 - \$3,938) owing to an officer of the Company.

On November 9, 2018, the Company issued 3,994,779 common shares to settle loans of \$359,530. Of this amount, \$99,051 was owing to the CEO of the Company.

6. NEW ACCOUNTING STANDARDS AND POLICIES

Accounting standards issued but not yet applied

Leases

On January 13, 2016, the IASB published a new standard, IFRS 16, eliminating the current dual accounting model for lessees, which distinguishes between on-balance sheet finance leases and off-balance sheet operating leases. The main provision of IFRS 16 is the recognition of lease assets and lease liabilities on the balance sheet by lessees for those leases that were previously classified as operating leases. Under IFRS 16, a lessee is required to do the following: (i) recognize a right-of-use asset and a lease liability, initially measured at the present value of the lease payments, on the balance sheet; and (ii) recognize a front-loaded pattern of expense for most leases, even when cash rentals are constant, as the right-of-use asset is depreciated and the lease liability is accreted using the effective interest method. The new standard also requires qualitative disclosures along with specific quantitative disclosures. IFRS 16 will be effective August 1, 2019. The Company does not expect the adoption of the new standard to have a significant impact on the consolidated financial statements.

7. FINANCIAL INSTRUMENTS

The Company's financial instruments consist of cash, restricted cash, accounts receivable, due from former subsidiary, and trade payables. As at July 31, 2019 and July 31, 2018, there were no significant differences between the carrying amounts of these items and their estimated fair values. The carrying value of these items approximates their fair values.

Fair Value

Financial instruments measured at fair value are classified into one of three levels in the fair value hierarchy based on the degree to which the inputs used to determine the fair value are observable.

The three levels of the fair value hierarchy are:

- Level 1 – quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2 – inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly; and
- Level 3 – inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The Company's primary financial instruments are classified as follows:

Cash and restricted cash	Fair value through profit or loss
Investments	Fair value through profit or loss
Accounts receivable	Amortized costs
Trade payables	Other financial liabilities
Loans payable	Amortized costs

As of July 31, 2019, the Company's cash is classified as Level 1 and Investments are classified as Level 3.

The Board of Directors approves and monitors the risk management processes. The Company has exposure to the following risks from its use of financial instruments:

- Interest rate risk
- Credit risk
- Liquidity risk
- Market risk
- Currency risk

Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in market interest rates. The Company manages its financial instruments with the objective of minimizing potential interest rate risk, which generally means avoiding interest-bearing obligations other than in unusual circumstances. The Company is not exposed to significant interest rate risk.

Credit Risk

Credit risk is the risk of potential loss to the Company if the counter party to a financial instrument fails to meet its contractual obligations. The credit risk of the Company is associated with cash, restricted cash, and accounts receivable. Management believes that the credit risk with respect to cash and restricted cash is minimal as balances are held with a high-credit quality financial institution. Accounts receivable have historically been subject to very few bad debts.

Liquidity Risk

The Company's exposure to liquidity risk is dependent on the collection of accounts receivable, purchasing commitments and obligations or raising funds to sustain operations. The Company controls liquidity risk by management of working capital and cash flows. The Company's ability to meet its future obligations may depend in significant part on the extent to which the Company can raise sufficient funds or implement successfully its business growth and cost reduction strategies. The Company cannot provide any assurance that it will be able to implement its strategy fully or that the anticipated results of its strategy will be realized.

Market Risk

The Company's exposure to financial market risk is limited, as it presently does not have any investments where value fluctuates as a result of changes in prices quoted in open markets.

Currency risk

The Company is headquartered in Canada and its functional reporting currency is the Canadian dollar. The Company's cash assets and liabilities are denominated in Canadian and US dollars. Additionally, a portion of Strutta's revenues are denominated in US dollars. As such, the Company's results of operations are subject to foreign currency fluctuation risks and these fluctuations may adversely affect the financial position and operating results of the Company. As of July 31, 2019, the Company does not use derivative instruments to reduce its exposure to currency risk.

8. RISK MANAGEMENT

Early stage technology companies face many risks. While management is unable to eliminate risks, the Company is intent on identifying and mitigating such risks as much as is reasonably possible.

In evaluating an investment in Mobio, in addition to other information contained in this MD&A, investors should consider the following risk factors associated with Mobio's business of investing in startup companies. These risk factors are not a definitive list of all risk factors associated with the Company and its business.

Risk of Loss of Entire Investment

Investing in startup companies involves a high level of risk. Startup companies may fail completely or Mobio may be unable to resell the shares it owns in the startup or collect upon the debt instrument that the Company has purchased from the startup. In these situations, Mobio may lose the entire amount of the investment.

Return on Investment is Not Guaranteed

The amount of return on investment, if any, is highly variable and not guaranteed. Some startups may be successful and generate significant returns, but many will not be successful and will only generate small returns, if any at all. Investment returns that the Company may receive will be variable in amount, frequency, and timing.

Delay in Return on Investment

Any returns generated by startup companies may take several years to materialize. Most startups take five to seven years to generate any investment return, if at all.

Liquidity Risk

It may be difficult to resell the investment in a startup. Startup investments are privately held companies and are not traded on a public stock exchange. Also, there is currently no readily available secondary market for private buyers to purchase securities of startups. Furthermore, there may be restrictions on the resale of the shares of the startup and the ability to transfer those shares.

Dilution Risk of the Investment

Startup companies may need to raise additional capital in the future through the issue of additional shares. This will dilute the percentage ownership that Mobio has in the company.

Risk of Inaccurate Valuation of the Investment

Unlike publicly traded companies that are valued through market-driven stock prices, the valuation of private companies, especially startups, is difficult to assess. The issuer will set the share price of the

investment and there is a risk of overpaying for that investment.

Risk of Failure of the Startup

Investments in startups are speculative and these companies often fail. Unlike an investment in a mature business where there is a track record of revenue and income, the success of a startup often relies on the development of a new product or service that may or may not find a market.

Risk of Profitability of Startup Companies

A startup company is still in an early phase and may be just beginning to implement its business plan. There can be no assurance that it will ever operate profitably. The likelihood of achieving profitability should be considered in light of the problems, expenses, difficulties, complications and delays usually encountered by companies in their early stages of development. The startup company may not be successful in attaining the objectives necessary for it to overcome these risks and uncertainties.

Funding risk

A startup company may require funds in excess of its existing cash resources to fund operating expenses, develop new products, expand its marketing capabilities, and finance general and administrative activities. Due to market conditions at the time the startup company needs additional funding, it is possible that the company will be unable to obtain additional funding when it needs it, or the terms of any available funding may be unfavorable. If the company is unable to obtain additional funding, it may not be able to repay debts when they are due, or the new funding may excessively dilute existing investors. If the company is unable to obtain additional funding as and when needed, it could be forced to delay its development, marketing and expansion efforts and, if it continues to experience losses, potentially cease operations.

Disclosure risks

The startup company is at an early stage and may only be able to provide limited information about its business plan and operations because it does not have fully developed operations or a long trading history. The company is also only obligated to provide limited information regarding its business and financial affairs to investors.

Personnel risks

An investment in a startup is also an investment in the management of the company. Being able to execute on the business plan is often an important factor in whether the business is viable and successful. The startup company's management may not have the necessary expertise and experience to deliver on the company's business plan.

Growth risk

For a startup to succeed, it will need to expand significantly. There can be no assurance that it will achieve this expansion. Expansion may place a significant strain on the company's management, operational and financial resources. To manage growth, the company will be required to implement operational and financial systems, procedures and controls. It also will be required to expand its finance, administrative and operations staff. There can be no assurance that the company's current and planned personnel, systems, procedures and controls will be adequate to support its future operations. The company's failure to manage growth effectively could have a material adverse effect on its business, results of operations, and financial condition.

Competition risk

The startup may face competition from other companies, some of which might have received more funding than the startup has. One or more of the company's competitors could offer services similar to those offered by the company at significantly lower prices, which would cause downward pressure on the prices the

company would be able to charge for its services. If the company is not able to charge the prices it anticipates charging for its services, there may be a material adverse effect on the company's results of operations and financial condition.

Market demand risk

While a startup company believes that there will be customer demand for its products, there is no assurance that there will be broad market acceptance of the company's offerings. There also may not be broad market acceptance of the company's offerings if its competitors offer products which are preferred by prospective customers. In such event, there may be a material adverse effect on the company's results of operations and financial condition, and the company may not be able to achieve its goals.

Control risks

Because the company's founders, directors and executive officers may be among the company's largest stockholders, they can exert significant control over the company's business and affairs and have actual or potential interests that may depart from Mobio's. The company's founders, directors and executive officers may own or control a significant percentage of the startup company. In addition to their board seats, such persons will have significant influence over corporate actions requiring stockholder approval, irrespective of how the company's other shareholders, including Mobio, may vote.

Cyber Security Risks

As the Company continues to increase its dependence on information technologies to conduct its operations, the risks associated with cyber security also increase. The Company relies on management information systems and computer control systems. Business and supply chain disruptions, plant and utility outages and information technology system and network disruptions due to cyber-attacks could seriously harm its operations and materially adversely affect its operation results, Cyber security risks include attacks on information technology and infrastructure by hackers, damage or loss of information due to viruses, the unintended disclosure of confidential information, the issue or loss of control over computer control systems, and breaches due to employee error. The Company's exposure to cyber security risks includes exposure through third parties on whose systems it places significant reliance for the conduct of its business. The Company has implemented security procedures and measures in order to protect its systems and information from being vulnerable to cyber-attacks. The Company believes these measures and procedures are appropriate. To date, it has not experienced any material impact from cyber security events. However, it may not have the resources or technical sophistication to anticipate, prevent, or recover from rapidly evolving types of cyber-attacks. Compromises to its information and control systems could have severe financial and other business implications

9. ACCOUNTING POLICIES & USE OF CRITICAL ESTIMATES

The preparation of the consolidated financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. An area subject to significant estimates is the impairment of financial and non-financial assets. Actual results could differ from those estimates.

The preparation of these consolidated financial statements required the use of judgment with respect to assessing whether certain acquisitions meet the definition of a "business" as defined in IFRS 3, Business Combinations. Those acquisitions which meet the definition of a business are accounted for as a business combination using the purchase method and require the purchase price to be allocated to the fair values of the net assets acquired, including any intangible assets that may have arisen as a result of the acquisition, with the remainder of the purchase price allocated to goodwill. Those acquisitions which did not meet the

definition of a business are accounted for as a purchase of assets. The judgment applied to making this determination includes assessing whether the acquisition contains inputs, processes, and outputs as described in IFRS 3.

The Company assesses impairment at each reporting date by evaluating conditions specific to the Company that may lead to asset impairment. The recoverable amount of an asset or a cash generating unit ("CGU") is determined using the greater of fair value less costs to sell and value in use which requires the use of various judgments, estimates, and assumptions. The Company identifies CGUs as identifiable groups of assets that are largely independent of the cash inflows from other assets or groups of assets. Value in use calculations require estimations of discount rates and future cash flows derived from revenue growth, gross margin and operating costs. Fair value less costs to sell calculations require the Company to estimate fair value of an asset or a CGU using market values of similar assets as well as estimations of the related costs to sell.

Management has applied judgments in the assessment of the Company's ability to continue as a going concern when preparing its consolidated financial statements for the year ended July 31, 2019. Management prepares the consolidated financial statements on a going concern basis unless management either intends to liquidate the entity or to cease trading or has no realistic alternative but to do so. In assessing whether the going concern assumption is appropriate, management takes into account all available information about the future, which is at least, but is not limited to, twelve months from the end of the reporting period. Management considered a wide range of factors relating to current and expected profitability, current working capital levels, and potential sources of replacement financing.

As a result of the assessment, management concluded the going concern basis of accounting is appropriate based on its profit and cash flow forecast and expectations with respect to access to financing for the next twelve months.

Estimates and assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected.

10. OUTSTANDING SHARE DATA

As of the date of this MD&A, 38,147,546 common shares were issued and outstanding.

As of the date of this MD&A, the Company had the following share purchase warrants issued and outstanding:

Number of Warrants	Exercise Price	Expiry Date
15,000	\$ 0.10	January 25, 2020
1,666,670	\$ 0.30	March 26, 2020
50,000	\$ 0.30	April 23, 2020
4,068,750	\$ 0.30	August 24, 2020
5,483,334	\$ 0.10	January 25, 2021
2,383,332	\$ 0.10	January 30, 2021
13,667,086		

As of the date of this MD&A, the Company had the following stock options issued and exercisable:

Outstanding (#)	Exercisable (#)	Exercise Price (\$)	Expiry Date
25,000	25,000	2.00	Dec. 3, 2019
387,500	346,875	0.22	Jan. 19, 2028
412,500	371,875		