

mobio technologies

Mobio Technologies Inc.

Condensed Consolidated Interim Financial Statements
(Unaudited)

(EXPRESSED IN CANADIAN DOLLARS)

For the Three Months Ended October 31, 2022 and 2021

Index

Condensed Consolidated Interim Statements of Financial Position

Condensed Consolidated Interim Statements of Comprehensive Loss

Condensed Consolidated Interim Statements of Changes in Equity (Deficit)

Condensed Consolidated Interim Statements of Cash Flows

Notes to Condensed Consolidated Interim Financial Statements

MOBIO TECHNOLOGIES INC.
CONDENSED CONSOLIDATED INTERIM STATEMENTS OF FINANCIAL POSITION
(Unaudited - Expressed in Canadian dollars)

<u>As at</u>	<u>Notes</u>	<u>October 31, 2022</u>	<u>July 31, 2022</u>
ASSETS			
<u>Current Assets</u>			
Cash		\$ 152,492	\$ 15,156
Accounts receivable	3	3,317	6,314
Deposits and prepaid expenses		10,498	18,838
Due from related party	4	109,991	-
TOTAL ASSETS		\$ 276,298	\$ 40,308
LIABILITIES			
<u>Current Liabilities</u>			
Accounts payable and accrued liabilities	5	\$ 158,756	\$ 171,272
Related party loans payable	6	562,991	549,681
		721,747	720,953
<u>Non-Current Liabilities</u>			
Term loan payable	7	31,715	30,247
TOTAL LIABILITIES		753,462	751,200
EQUITY (DEFICIT)			
Share capital	8	26,941,574	26,644,086
Equity portion of debt	6	72,738	72,738
Share-based payment reserve		14,915	14,915
Deficit		(27,506,391)	(27,442,631)
TOTAL EQUITY (DEFICIT)		(477,164)	(710,892)
TOTAL LIABILITIES AND EQUITY (DEFICIT)		\$ 276,298	\$ 40,308
Nature of operations and going concern uncertainty	1		

Approved on behalf of the board

"Brian O'Neill"

Brian O'Neill, Director

"Laurie Baggio"

Laurie Baggio, Chief Executive Officer

See accompanying notes to the condensed consolidated interim financial statements.

MOBIO TECHNOLOGIES INC.

CONDENSED CONSOLIDATED INTERIM STATEMENTS OF COMPREHENSIVE LOSS (Unaudited - Expressed in Canadian dollars)

		Three months ended October 31,	
	Notes	2022	2021
REVENUE			
Sales		\$ 406	\$ 2,686
EXPENSES			
Amortization		-	401
Hosting and computing services		203	-
Personnel	10	15,000	19,155
Professional fees		21,084	11,765
Office and administration		8,904	7,362
Regulatory and filing costs		3,709	1,851
Website and IT		596	-
Share-based payments		-	849
Foreign exchange		(109)	945
		49,387	42,328
OTHER ITEMS			
Interest expense	6, 7, 10	14,779	10,469
Other income (loss)		-	(1,262)
		14,779	9,207
Net loss and comprehensive loss for the period	9	\$ (63,760)	\$ (48,849)
Basic and diluted loss per share	9	\$ (0.00)	\$ (0.00)
Weighted average number of common shares outstanding, basic and diluted	9	42,583,260	38,297,546

See accompanying notes to the condensed consolidated interim financial statements.

MOBIO TECHNOLOGIES INC.

CONDENSED CONSOLIDATED INTERIM STATEMENTS OF CHANGES IN EQUITY (DEFICIT)

(Unaudited - Expressed in Canadian dollars)

	Notes	Share capital		Reserves			Deficit	Total
		Number of shares	Amount	Warrant reserves	Equity portion of debt	Share-based payments reserves		
Balance at July 31, 2021		38,297,546	\$ 26,094,077	\$ 550,009	\$ 72,738	\$ 72,091	\$ (27,282,177)	\$ (493,262)
Expiry of options	8	-	-	-	-	(54,690)	54,690	-
Expiry of warrants	8	-	437,893	(437,893)	-	-	-	-
Loss for the period		-	-	-	-	-	(48,849)	(48,849)
Balance at October 31, 2021		38,297,546	26,531,970	112,116	72,738	17,401	(27,276,336)	(542,111)
Balance at July 31, 2022		38,297,546	26,644,086	-	72,738	14,915	(27,442,631)	(710,892)
Shares issued for cash	8	4,285,714	300,000	-	-	-	-	300,000
Share issuance costs	8	-	(2,512)	-	-	-	-	(2,512)
Loss for the period		-	-	-	-	-	(63,760)	(63,760)
Balance at October 31, 2022		42,583,260	\$ 26,941,574	\$ -	\$ 72,738	\$ 14,915	\$ (27,506,391)	\$ (477,164)

See accompanying notes to the condensed consolidated interim financial statements.

MOBIO TECHNOLOGIES INC.

CONDENSED CONSOLIDATED INTERIM STATEMENTS OF CASH FLOWS

(Unaudited - Expressed in Canadian dollars)

	Three months ended October 31,	
	2022	2021
OPERATING ACTIVITIES		
Net loss for the period	\$ (63,760)	\$ (48,849)
Items not affecting cash:		
Amortization	-	401
Accrued interest expense	14,779	10,471
Net changes in non-cash working capital:		
Accounts receivable	2,997	29,961
Deposits and prepaid expenses	8,340	6,027
Accounts payable and accrued liabilities	(12,517)	2,211
Net cash (used in) provided by operating activities	(50,161)	223
INVESTING ACTIVITIES		
Purchase of equipment	-	(1,671)
Proceeds on disposal of equipment	-	1,518
Advances to related party	(109,991)	-
Net cash used in investing activities	(109,991)	(153)
FINANCING ACTIVITIES		
Issuance of common shares, net of issuance costs	297,488	-
Net cash provided by financing activities	297,488	-
NET CHANGE IN CASH	137,336	70
CASH, BEGINNING OF THE PERIOD	15,156	17,708
CASH, END OF THE PERIOD	\$ 152,492	\$ 17,778

See accompanying notes to the condensed consolidated interim financial statements.

1. NATURE OF OPERATIONS AND GOING CONCERN UNCERTAINTY

Mobio Technologies Inc. ("Mobio" or the "Company") was incorporated pursuant to the provisions of the Business Corporations Act (Alberta) on November 19, 1998 and was continued into British Columbia under the Business Corporations Act (British Columbia). The Company's registered and records office is located at 401 – 750 West Pender Street, Vancouver, BC, V6C 2T7. Mobio is a public company whose shares are listed on the TSX Venture Exchange under the symbol "MBO". The Company's primary line of business is Strutta.com Media Inc. ("Strutta"), a social promotions platform that allows brands to run contests and sweepstakes across multiple social web channels. In addition, the Company invests in start-up technology companies.

These condensed consolidated interim financial statements have been prepared using the going concern assumption, which assumes that the Company will continue in operation for the foreseeable future and be able to realize its assets and discharge its liabilities in the normal course of business. During the period ended October 31, 2022, the Company generated a net loss of \$63,760 and has an accumulated deficit of \$27,506,391 as at October 31, 2022. These conditions raise significant doubt about the Company's ability to continue as a going concern.

The continuing operations of the Company are dependent upon its ability to develop profitable operations in the future and to raise adequate financing, if necessary. The Company has generated operating losses since inception. The application of the going concern concept is dependent on the Company's ability to achieve profitable operations and obtain necessary financing.

There can be no assurance that the Company will be successful in achieving profitability or raising additional cash to finance operations. These conditions indicate the existence of a material uncertainty that may raise doubt about the Company's ability to continue as a going concern. The condensed consolidated interim financial statements do not include any adjustments relating to the recoverability of assets and liabilities that might be necessary should the Company be unable to continue as a going concern and such adjustments could be material.

2. BASIS OF PRESENTATION

These condensed consolidated interim financial statements were authorized for issue on December 23, 2022, by the Board of Directors of the Company.

Statement of Compliance

These condensed consolidated interim financial statements have been prepared in accordance with IAS 34, Interim Financial Reporting, using accounting policies consistent with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board (IASB). These condensed consolidated interim financial statements do not include all of the information required for full annual audited consolidated financial statements and should be read in conjunction with the annual audited consolidated financial statements of the Company for the years ended July 31, 2022, and 2021.

Functional and Presentation Currency

The consolidated financial statements are presented in Canadian dollars, which is the functional currency of Mobio Technologies Inc.

2. BASIS OF PRESENTATION (CONT'D)

Basis of Measurement

These condensed consolidated interim financial statements have been prepared on a historical cost basis except for financial instruments classified as fair value through profit or loss, which are stated at their fair values. In addition, these condensed consolidated interim financial statements have been prepared using the accrual basis of accounting.

Use of estimates and judgments

The preparation of the condensed consolidated interim 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. Actual results could differ from those estimates.

Management has applied judgments in the assessment of the Company's ability to continue as a going concern when preparing its condensed consolidated financial statements for the three months ended October 31, 2022. 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 and as described in Note 1 – Nature of Operations and Going Concern Uncertainty, management concluded the going concern basis of accounting is appropriate based on its cash flow forecast and expectations with respect to access to financing for the next twelve months.

Significant estimates and assumptions were used with respect to the impairment of financial and non-financial assets and the fair value of investments. 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.

Basis of Consolidation

These condensed consolidated interim financial statements consist of Mobio Technologies Inc. and Strutta.Com Media Inc., a subsidiary wholly owned by the Company.

The condensed consolidated interim financial statements at October 31, 2022 and 2021 include the assets, liabilities, revenues and expenses of the Company's controlled and wholly owned subsidiaries. All inter-company balances and transactions, including unrealized income and expenses arising from inter-company transactions are eliminated on consolidation.

3. ACCOUNTS RECEIVABLE

		October 31, 2022		July 31, 2022
Trade receivables	\$	137	\$	193
GST recoverable		3,180		6,121
Total accounts receivable	\$	3,317	\$	6,314

4. DUE FROM RELATED PARTY

During the period ended October 31, 2022, the Company paid \$109,991 (2022 – \$Nil) to a related party to cover associated audit fees in connection with the proposed transaction described in Note 13. The amounts due from related party are unsecured, have no fixed terms of repayment and are non-interest bearing.

5. TRADE PAYABLES AND ACCRUALS

	October 31, 2022	July 31, 2022
Accounts payable	\$ 29,256	\$ 45,002
Accrued liabilities	129,500	126,270
Total accounts payable and accrued liabilities	\$ 158,756	\$ 171,272

Included in accounts payable and accrued liabilities at October 31, 2022 is \$90,000 (2022 - \$95,250) owing to officers of the Company.

6. RELATED PARTY LOANS PAYABLE

On August 14, 2019, the Company received a loan in the amount of \$25,000 from a company controlled by an officer. The loan is unsecured, due on demand and bears interest at 10% per annum. During the three months ended October 31, 2022, the Company recorded \$829 (period ended October 31, 2021 - \$753) (Note 9) in interest on the loan. The balance of the loan at October 31, 2022 is \$34,004 (2022 - \$33,176).

On August 29, 2019, the Company received a loan in the amount of \$100,000 from a company controlled by a significant shareholder. The loan is unsecured, due on demand and bears interest at 10% per annum. During the three months ended October 31, 2022, the Company recorded \$3,231 (period ended October 31, 2021 - \$2,955) (Note 9) in interest on the loan. The balance of the loan at October 31, 2022 is \$134,627 (2022 - \$131,397).

On November 20, 2019, the Company received a loan in the amount of \$50,000 from a company controlled by an officer. The loan is unsecured, due on demand and bears interest at 10% per annum. During the three months ended October 31, 2022, the Company recorded \$1,525 (period ended October 31, 2021 - \$1,386) (Note 9) in interest on the loan. The balance of the loan at October 31, 2022 is \$66,252 (2022 - \$64,727).

On January 30, 2020, the Company received a loan in the amount of \$50,000 from a company controlled by an officer. The loan is unsecured, due on demand and bears interest at 10% per annum. During the three months ended October 31, 2022, the Company recorded \$1,525 (period ended October 31, 2021 - \$1,386) (Note 9) in interest on the loan. The balance of the loan at October 31, 2022 is \$65,075 (2022 - \$63,550).

On April 6, 2020, the Company received a loan in the amount of \$100,000 from a company controlled by an officer. The loan is unsecured, due on demand and bears interest at 10% per annum. During the three months ended October 31, 2022, the Company recorded \$3,050 (period ended October 31, 2021 - \$2,773) (Note 9) in interest on the loan. The balance of the loan at October 31, 2022 is \$127,929 (2022 - \$124,879).

6. RELATED PARTY LOANS PAYABLE (CONT'D)

On January 10, 2022, the Company received a loan in the amount of \$100,000 from a company controlled by a significant shareholder. The loan is unsecured, due on demand and bears interest at 10% per annum. During the three months ended October 31, 2022, the Company recorded \$2,521 (period ended October 31, 2021 - \$Nil) (Note 9) in interest on the loan. The balance of the loan at October 31, 2022 is \$108,083 (2022 - \$105,562).

On January 10, 2022, the Company received a loan in the amount of \$25,000 from a company controlled by an officer. The loan is unsecured, due on demand and bears interest at 10% per annum. During the three months ended October 31, 2022, the Company recorded \$630 (period ended October 31, 2021 - \$Nil) (Note 9) in interest on the loan. The balance of the loan at October 31, 2022 is \$27,021 (2022 - \$26,390).

Loan transactions for the three months ended October 31, 2022 are summarized as follows:

	Liability component		Equity component	
Balance, July 31, 2022	\$	549,681	\$	72,738
Accrued interest and accretion		13,310		-
Balance, October 31, 2022	\$	562,991	\$	72,738

7. TERM LOANS PAYABLE

On May 4, 2020 ("disbursement date"), the Company received a loan for gross proceeds of \$40,000 under the Canada Emergency Business Account ("CEBA") as part of the Canadian government funded COVID-19 financial assistance programs. The CEBA term loan is due on December 25, 2025. The loan is interest free until December 31, 2023 and bears interest at 5% per annum thereafter. If at least 75% of the loan principal is paid on or before December 31, 2023, the balance of the loan will be forgiven.

The benefit of the government loan received at below market rate of interest is treated as a government grant. The loan was recognized at the fair value of \$19,847, using the Company's incremental borrowing rate of 20% per annum. The difference between the initial carrying amount and proceeds received of \$20,152 is the value of the grant. During the three months ended October 31, 2022, the Company recorded interest of \$1,468 on the loan (period ended October 31, 2021 - \$1,216). The balance of the loan at October 31, 2022 is \$31,715 (July 31, 2022 - \$30,247).

8. SHARE CAPITAL

Authorized:

- Unlimited number of common shares without par value.
- Unlimited number of preferred shares without par value, non-voting and entitled to such dividends as may be set by the Board of Directors of the Company.

8. SHARE CAPITAL (CONT'D)

Issued and Outstanding:

- On August 29, 2022, the Company issued 4,285,714 common shares with a fair value of \$0.07 per share, and an aggregate value of \$300,000. Share issuance costs of \$2,512 were incurred with respect to the transaction.
- 42,583,260 common shares (July 31, 2022 – 38,297,546).

Warrants

As at October 31, 2022, the following warrants were issued and exercisable:

	Number of Warrants		Weighted Average Exercise Price
Balance, July 31, 2021	5,735,420	\$	0.30
Warrants expired	(5,735,420)		0.30
Balance, October 31, 2022	-	\$	0.00

Stock Options

Under the Company's stock option plan, options may be granted to directors, officers, employees and consultants of the Company. Options expire between two and five years after being issued or thirty days after an optionee ceases to be engaged in a bona fide manner with the Company. The Board of Directors has the discretion to extend the expiration period on cessation of engagement. The maximum number of common shares authorized for issuance by the Board of Directors under the plan is limited to 10% of the total issued and outstanding common shares of the Company and the aggregate number of common shares to be delivered upon exercise of the options to any one individual granted under the plan may not exceed 5% of the common shares issued and outstanding.

As at October 31, 2022 the following stock options were issued and exercisable:

	Number of Options		Weighted Average Exercise Price
Balance, July 31, 2021	362,500	\$	0.22
Options expired	(287,500)		0.22
Balance, July 31, 2022	75,000	\$	0.22
Balance, October 31, 2022	75,000	\$	0.22

Outstanding (#)	Exercisable (#)	Exercise Price (\$)	Expiry Date
75,000	75,000	0.22	January 19, 2028

The weighted average life of the remaining options is 5.22 years.

9. LOSS PER SHARE

The basic loss per common share is calculated using the weighted average number of common shares outstanding during the period. Any warrants and stock options outstanding as at October 31, 2022 and 2021 have not been included in the calculation of diluted loss per common share as the effect of their inclusion would be anti-dilutive.

Loss Per Share Calculation	Weighted Average Shares Outstanding	Net Loss	Loss Per Share
Three months ended October 31, 2021	38,297,546	\$ (48,849)	\$ (0.00)
Three months ended October 31, 2022	42,583,260	\$ (63,760)	\$ (0.00)

10. RELATED PARTY TRANSACTIONS

Payments to key management and directors during the periods ended October 31, 2022 and 2021 were as follows:

Three months ended October 31,	2022	2021
Management fees paid to current and former directors and/or officers, or to companies controlled by directors and/or officers	\$ 15,000	\$ 5,000
Total compensation	\$ 15,000	\$ 5,000

Interest and accretion recorded on related party loans is as follows:

Three months ended October 31,	2022	2021
Interest and accretion on loans payable to companies with a common director and officer or to companies controlled by directors and/or officers or by significant shareholders	\$ 13,310	\$ 9,254

11. FINANCIAL INSTRUMENTS

The Company's financial instruments consist of cash, accounts receivable, due from related party, investments, related party loans payable, and accounts payable and accrued liabilities. As at October 31, 2022, there were no significant differences between the carrying amounts of these items and their estimated 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

11. FINANCIAL INSTRUMENTS (CONT'D)

- Level 3 – inputs for the asset or liability that are not based on observable market data (unobservable inputs).

As of October 31, 2022, cash is classified as Level 1 and investments are classified as Level 3. The fair value of investments was determined based on the cash received on the subsequent disposition of the investments.

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 and accounts receivable. Management believes that the credit risk with respect to 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

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 respective functional currency. The Company's reporting currency is Canadian dollars and has not entered into any derivative instruments to manage foreign exchange fluctuations.

12. CAPITAL MANAGEMENT

The Company defines capital as an aggregate of cash, common shares, warrants and stock options. The Company manages the capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. The Company targets to meet this objective by managing working capital to provide for the possibility that cash flows from assets will not be sufficient to meet future cash flow requirements in the near term. The Board of Directors does not establish quantitative return on capital criteria for management. In recent years, the Company has relied on funds generated through the issuance of common shares and loans to supplement funds generated from operations. There were no changes in the Company's approach to capital management during the year. The Company is not subject to any externally imposed capital requirements.

13. PROPOSED TRANSACTION

On March 14, 2022, the Company entered into a non-binding letter of intent which sets out the proposed basic terms and conditions for the 100% acquisition of Tracksuit Movers Inc. ("TMI"), a full-service moving company franchisor through a share exchange.

The shareholders of TMI will be issued shares in the Company at the market value at closing of the transaction based upon a valuation of \$12,000,000. Concurrently with the acquisition of TMI, the Company will need to complete a private placement equity financing of \$3,000,000 to \$4,000,000.

The acquisition of TMI is subject to negotiation and entering into a binding share exchange agreement, approval by disinterested shareholders of the Company and acceptance of the transaction by the TSX Venture Exchange.