

mobio technologies

Mobio Technologies Inc.

Condensed Consolidated Interim Financial Statements
(Unaudited)

(EXPRESSED IN CANADIAN DOLLARS)

For the Three Months Ended October 31, 2023 and 2022

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NOTICE OF NO AUDITOR REVIEW OF CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

The Company's auditors have not reviewed or been involved in the preparation of these condensed consolidated interim financial statements.

Under National Instrument 51-102, Part 4, subsection 4.3(3)(a), if an auditor has not performed a review of the condensed consolidated interim financial statements, they must be accompanied by a notice indicating that the financial statements have not been reviewed by an auditor.

In accordance with National Instrument 51-102 Section 4.3(3)(a) released by the Canadian Securities Administrators, the Company discloses that its auditors have not reviewed the unaudited condensed consolidated interim financial statements in accordance with the standards established by the Chartered Professional Accountants Canada for a review of condensed consolidated interim financial statements by an entity's auditor, for the three-month periods ended October 31, 2023 and 2022.

The accompanying condensed consolidated interim financial statements of the Company have been prepared by and are the responsibility of the Company's management.

MOBIO TECHNOLOGIES INC.

CONDENSED CONSOLIDATED INTERIM STATEMENTS OF FINANCIAL POSITION (Unaudited - Expressed in Canadian dollars)

As at	Notes	October 31, 2023	July 31, 2023
ASSETS			
<u>Current Assets</u>			
Cash		\$ 133,965	\$ 207,848
Accounts receivable	3	2,953	1,654
Deposits and prepaid expenses		21,729	3,096
		158,647	212,598
<u>Non-Current Assets</u>			
Due from related party	4	138,975	133,921
TOTAL ASSETS		\$ 297,622	\$ 346,519
LIABILITIES			
<u>Current Liabilities</u>			
Accounts payable and accrued liabilities	5	\$ 180,102	\$ 140,573
Related party loans payable	6	881,163	858,923
Term loan payable	7	30,000	30,000
TOTAL LIABILITIES		1,091,265	1,029,496
EQUITY (DEFICIT)			
Share capital	8	26,941,574	26,941,574
Equity portion of debt		72,738	72,738
Share-based payment reserve		14,915	14,915
Deficit		(27,822,870)	(27,712,204)
TOTAL EQUITY (DEFICIT)		(793,643)	(682,977)
TOTAL LIABILITIES AND EQUITY (DEFICIT)		\$ 297,622	\$ 346,519
Nature of operations and going concern uncertainty	1		
Proposed transaction	13		

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	2023	2022
REVENUE			
Sales		\$ 1,874	\$ 406
EXPENSES			
Personnel	10	51,102	15,000
Professional fees		27,209	21,084
Office and administration		8,219	8,904
Regulatory and filing costs		1,685	3,709
Website and IT		1,802	799
Foreign exchange		283	(109)
		90,300	49,387
OTHER ITEMS			
Interest expense	6,7,10	22,240	14,779
		22,240	14,779
Net loss and comprehensive loss for the period	9	\$ (110,666)	\$ (63,760)
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	39,037,272

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					Deficit	Total
		Number of shares	Amount	Equity portion of debt	Share-based payments reserves			
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)	
Balance at July 31, 2023		42,583,260	26,941,574	72,738	14,915	(27,712,204)	(682,977)	
Loss for the period		-	-	-	-	(110,666)	(110,666)	
Balance at October 31, 2023		42,583,260	\$ 26,941,574	\$ 72,738	\$ 14,915	\$ (27,822,870)	\$ (793,643)	

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,	
	2023	2022
OPERATING ACTIVITIES		
Net loss for the period	\$ (110,666)	\$ (63,760)
Items not affecting cash:		
Accrued interest expense	22,240	14,779
Net changes in non-cash working capital:		
Accounts receivable	(1,300)	2,997
Deposits and prepaid expenses	(18,633)	8,340
Accounts payable and accrued liabilities	39,530	(12,517)
Net cash used in operating activities	(68,829)	(50,161)
INVESTING ACTIVITIES		
Advances to related party	(5,054)	(109,991)
Net cash used in investing activities	(5,054)	(109,991)
FINANCING ACTIVITIES		
Issuance of common shares, net of issuance costs	-	297,488
Net cash provided by financing activities	-	297,488
NET CHANGE IN CASH	(73,883)	137,336
CASH, BEGINNING OF THE PERIOD	207,848	15,156
CASH, END OF THE PERIOD	\$ 133,965	\$ 152,492

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 204 – 1080 Mainland Street, Vancouver, BC, V6B 2T4. 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 is exploring investments in residential and commercial real estate services industry.

These condensed consolidated interim financial statements have been prepared using the going concern assumption, which assumes the Company will continue in operation for the foreseeable future and will be able to realize its assets and discharge its liabilities in the normal course of business. During the period ended October 31, 2023, the Company generated a net loss of \$110,666 and has an accumulated deficit of \$27,822,870 as at October 31, 2023. 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 significant 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 22, 2023, 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 interim consolidated financial statements have been prepared using the same accounting policies and methods of computation as the most recent annual financial statements for the year ending July 31, 2023.

3. ACCOUNTS RECEIVABLE

	October 31,		July 31,	
	2023		2023	
Trade receivables	\$	68	\$	200
GST recoverable		2,361		1,454
Total accounts receivable	\$	2,953	\$	1,654

4. DUE FROM RELATED PARTY

During the period ended October 31, 2023, the Company paid \$5,054 (October 31, 2022 - \$109,991) to Tracksuit Movers Inc., which is considered a related party due to common directors and shareholders, 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,		July 31,	
	2023		2023	
Accounts payable	\$	46,626	\$	17,573
Accrued liabilities		133,476		123,000
Total accounts payable and accrued liabilities	\$	180,102	\$	140,573

Included in accounts payable and accrued liabilities at October 31, 2023 is \$90,000 (July 31, 2023 - \$90,000) 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, 2023, the Company recorded \$912 (period ended October 31, 2022 - \$829) in interest on the loan. The balance of the loan at October 31, 2023 is \$37,405 (July 31, 2023 - \$36,493).

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, 2023, the Company recorded \$3,592 (period ended October 31, 2022 - \$3,231) in interest on the loan. The balance of the loan at October 31, 2023 is \$149,018 (July 31, 2023 - \$145,426).

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, 2023, the Company recorded \$1,677 (period ended October 31, 2022 - \$1,525) in interest on the loan. The balance of the loan at October 31, 2023 is \$72,877 (July 31, 2023 - \$71,200).

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, 2023, the Company recorded \$1,677 (period ended

6. RELATED PARTY LOANS PAYABLE (CONT'D)

October 31, 2022 - \$1,522) in interest on the loan. The balance of the loan at October 31, 2023 is \$71,582 (July 31, 2023 - \$69,905).

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, 2023, the Company recorded \$3,355 (period ended October 31, 2022 - \$3,050) in interest on the loan. The balance of the loan at October 31, 2023 is \$140,722 (July 31, 2023 - \$137,367).

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, 2023, the Company recorded \$2,773 (period ended October 31, 2022 - \$2,521) in interest on the loan. The balance of the loan at October 31, 2023 is \$118,891 (July 31, 2023 - \$116,118).

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, 2023, the Company recorded \$693 (period ended October 31, 2022 - \$630) in interest on the loan. The balance of the loan at October 31, 2023 is \$29,723 (July 31, 2023 - \$29,030).

On June 20, 2023, the Company received a loan in the amount of \$50,000 from a company controlled by an officer. The loan is unsecured, bears interest at 12% per annum, and matures on December 31, 2023. During the three months ended October 31, 2023, the Company recorded \$1,512 (period ended October 31, 2022 - \$Nil) in interest on the loan. The balance of the loan at October 31, 2023 is \$52,202 (July 31, 2023 - \$50,690).

On June 21, 2023, the Company received a loan in the amount of \$200,000 from a company controlled by a significant shareholder. The loan is unsecured, bears interest at 12% per annum, and matures on December 31, 2023. During the three months ended October 31, 2023, the Company recorded \$6,049 (period ended October 31, 2022 - \$Nil) in interest on the loan. The balance of the loan at October 31, 2023 is \$208,743 (July 31, 2023 - \$202,694).

Loan transactions for the three months ended October 31, 2023 are summarized as follows:

	Liability component	Equity component
Balance, July 31, 2023	\$ 858,923	\$ 72,738
Accrued interest and accretion	22,240	-
Balance, October 31, 2023	\$ 881,163	\$ 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 January 18, 2024 and bears interest at 5% per annum thereafter. If at least 75% of the loan principal is paid on or before January 18, 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

7. TERM LOANS PAYABLE (CONT'D)

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, 2023, the Company recorded an interest of \$Nil on the loan (October 31, 2022 - \$1,468) and the Company plans to pay back 75% of the loan principal prior to January 18, 2024 and have the rest forgiven. The balance of the loan at October 31, 2023 is \$30,000 (July 31, 2023 - \$30,000).

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.

Issued and Outstanding:

On August 29, 2022, the Company issued 4,285,714 common shares at a price 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.

At October 31, 2023, there were 42,583,260 common shares issued and outstanding (July 31, 2023 – 42,583,260).

Warrants

As at October 31, 2023, there were no warrants issued and exercisable (July 31, 2023 – nil).

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, 2023 the following stock options were issued and exercisable:

	Number of Options	Weighted Average Exercise Price
Balance, July 31, 2022	75,000	\$ 0.22
Balance, October 31, 2023	75,000	\$ 0.22

8. SHARE CAPITAL (CONT'D)

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

The weighted average life of the remaining options is 4.22 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, 2023 and 2022 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, 2022	39,037,272	\$ (63,760)	\$ (0.00)
Three months ended October 31, 2023	42,583,260	\$ (110,666)	\$ (0.00)

10. RELATED PARTY TRANSACTIONS

Payments to key management and directors during the periods ended October 31, 2023 and 2022 were as follows:

Three months ended October 31,	2023	2022
Management fees paid to current and former directors and/or officers, or to companies controlled by directors and/or officers	\$ 15,000	\$ 15,000
Total compensation	\$ 15,000	\$ 15,000

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 is as follows:

Three months ended October 31,	2023	2022
Interest on loans payable to companies with a common director and officer or to companies controlled by directors and/or officers or by significant shareholders	\$ 22,240	\$ 13,310

Included in accounts payable and accrued liabilities at October 31, 2023 is \$90,000 (2022 - \$90,000) owing to officers of the Company. These amounts are non-interest bearing, unsecured and due on demand.

11. FINANCIAL INSTRUMENTS

The Company's financial instruments consist of cash, accounts receivable, due from related party, related party loans payable, term loan payable and accounts payable. As at October 31, 2023, 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
- Level 3 – inputs for the asset or liability that are not based on observable market data (unobservable inputs).

As of October 31, 2023 and 2022, cash is classified as Level 1.

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

11. FINANCIAL INSTRUMENTS (CONT'D)

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, loans, 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 period. The Company is not subject to any externally imposed capital requirements.

13. PROPOSED TRANSACTION

On March 14, 2022, Mobio Technologies Inc. ("Mobio") entered into a non-binding letter of intent which set out the proposed basic terms and conditions for the 100% acquisition of Tracksuit Movers Inc. ("TMI") through a share exchange. Mobio plans to acquire TMI by exchanging 50,000,000 of its shares at a deemed value of \$0.20 per share for all outstanding shares of TMI.

Concurrently with the acquisition of TMI, Mobio plans to complete a private placement of \$3,000,000 at a price of \$0.20 per share.

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