



QYOU MEDIA INC.

MANAGEMENT'S DISCUSSION AND ANALYSIS

For the three months ended September 30, 2021 and 2020

QYOU Media Inc.

Management's Discussion and Analysis

September 30, 2021 and 2020

The purpose of this Management's Discussion and Analysis ("MD&A") is to provide the reader with an overview of the consolidated financial position, operating results, and cash flows of QYOU Media Inc. ("QYOU" or the "Company") for the three months ended September 30, 2021 and 2020. This MD&A was prepared as of November 29, 2021 and should be read in conjunction with the Corporation's audited consolidated financial statements for the years ended June 30, 2021 and 2020, and the notes related thereto (the "Annual Financial Statements"), the unaudited condensed consolidated interim financial statements for the three months ended September 30, 2021 and 2020 (the "Interim Financial Statements") and with the annual MD&A for the year ended June 30, 2021.

The Interim Financial Statements have been prepared by management in accordance with generally accepted accounting principles in Canada, as set out in the Chartered Professional Accountant of Canada Handbook – Accounting which incorporates International Financial Reporting Standards ["IFRS"] as issued by the International Accounting Standards Board, using International Accounting Standard 34 - Interim Financial Reporting ["IAS 34"]. IFRS requires management to make certain judgments, estimates and assumptions that affect the reported amount of assets and liabilities at the date of the financial statements and the amount of revenue and expenses incurred during the reporting period. The results of operations for the periods reflected herein are not necessarily indicative of results that may be expected for future periods

All amounts are expressed in Canadian dollars unless otherwise noted. References in this MD&A to the "Company", "QYOU", "we", "us" or "our" means QYOU and its subsidiaries.

This MD&A includes forward looking statements and assumptions (see "Forward-looking Statements"). The Company's continuous disclosure documents are available on SEDAR at www.sedar.com.

Forward-Looking Statements

Certain statements in this MD&A constitute "forward-looking statements" that involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance, objectives or achievements of the Company, or industry results, to be materially different from any future results, performance, objectives or achievements expressed or implied by such forward-looking statements. These statements reflect QYOU's current views regarding future events and operating performance and are based on information currently available to QYOU, and speak only as of the date of this MD&A. These forward-looking statements involve a number of known and unknown risks, uncertainties and assumptions and should not be read as guarantees of future performance or results, and will not necessarily be accurate indications of whether or not such performance or results will be achieved. Those assumptions and risks include, but are not limited to, the future cost structure, availability of additional financing as and when required, future sales and marketing activities, increased penetration into certain markets through strategic partnerships, the impact of the introduction of new products, agreements and partnerships, the ability of management to leverage sales opportunities, increase in the size of certain markets, expected increases in revenue, expected revenue from certain contracts, third party contractual performance, customer rollout plans for specific products, expected increase in gross margins, treatment under governmental regulatory regimes, ability to recover certain taxes, general business, economic, competitive, political and social uncertainties, dependence on key personnel, and fluctuations in foreign currency exchange rates. There can be no assurance that forward-looking statements will be accurate as many factors could cause the actual results, performance or achievements of the Company to be materially different from any future results, performance or achievements that may be expressed or implied by such forward-looking statements, including factors described in this MD&A and those discussed in QYOU's publicly-available disclosure documents, as filed by QYOU on SEDAR (www.sedar.com) and updated herein. Should one or more of these risks or uncertainties materialize, or should assumptions underlying the forward-looking statements prove incorrect, actual results may vary materially from those described in this MD&A as intended, planned, anticipated, believed, estimated or expected. Accordingly, readers should not place undue reliance on forward-looking statements. All subsequent forward-looking statements, whether written or oral, attributable to QYOU or persons acting on its behalf are expressly qualified in their entirety by these cautionary statements. Unless required by applicable securities laws, QYOU does not intend and does not assume any obligation to update these forward-looking statements.

Company Overview

The Company was incorporated pursuant to the Business Corporations Act (Alberta) on July 30, 1993, under the name "575161 Alberta Inc." On April 10, 2014, the Company amended its articles to change its name to "Galleria Opportunities Ltd." Effective March 13, 2017, the Company completed a reverse takeover transaction (the "Transaction") pursuant to which QYOU Media Holdings Inc. became a wholly-owned subsidiary of the Company and the security holders of QYOU Media Holdings Inc. became security holders of the Company. QYOU Media Holdings Inc. is the entity resulting

QYOU Media Inc.

Management's Discussion and Analysis

September 30, 2021 and 2020

from the amalgamation of QYOU Media Inc. (as it was then called) and 2561287 Ontario Ltd. (then a wholly owned subsidiary of the Company) on March 13, 2017, as part of the Transaction. Subsequently, on March 31, 2017, the Company's common shares (the "Common Shares") resumed trading on the facilities of the TSX Venture Exchange (the "TSXV") under the symbol "QYOU". Following the Transaction, the Company now carries on the business of QYOU Media and its subsidiaries.

An additional wholly owned indirect subsidiary of QYOU, QYOU USA Inc. ("QYOU USA"), was established in August 2015 under the laws of the State of Delaware.

On November 16, 2017, QYOU Productions Inc. ("QYOU Productions"), a corporation established under the federal laws of Canada, was created as a wholly owned indirect subsidiary of QYOU.

On September 20, 2018, QYOU Media India Private Ltd. ("QYOU India") was incorporated to serve the rapidly growing Indian market focusing on television, Over the Top (OTT) and mobile offerings targeted at the youth of India. Effective June 1, 2020, the Company increased its ownership interest in QYOU India to 88% (June 30, 2019 – 82%). The Company received the additional interest in exchange for funding the operations of QYOU India since its inception, resulting in a decrease of the ownership interest held by non-controlling shareholders to 12% (June 30, 2019 – 18%).

On June 14, 2021, the Company acquired 97% of the outstanding common shares of Chatterbox Technologies Private Limited ("Chatterbox"), an award-winning influencer marketing company based in India.

On July 1, 2021, QYOU Media Holdings Inc. was amalgamated into the parent company QYOU Media Inc.; therefore, QYOU Media Holdings is no longer an active subsidiary.

Description of the Business

QYOU Media operates in India and the United States producing and distributing content created by social media stars and digital content creators. In India, via the company's flagship brand, The Q, we curate, produce and distribute premium content including television networks and VOD for cable and satellite television, OTT, and mobile platforms. Our India based influencer marketing division, Chatterbox, is India's leading influencer marketing platform connecting brands and social media influencers. In the United States, we create and manage influencer marketing campaigns for major film studios, game publishers and brands. Founded and created by industry veterans from Lionsgate, MTV, Disney, and Sony, QYOU Media's millennial and Gen Z-focused content reaches more than one billion consumers around the world every month.

The Q India is an advertiser and influencer marketing supported Hindi language content brand, channel and VOD provider delivering hit digital programming from social media stars and leading digital video creators targeting Young Indian audiences. With a growing library of over 1100 programs, the channel reaches an audience of over 798 million via over 122 million television homes with partners including DD Free Dish, TATA Sky, Airtel DTH, DISH TV, SitiNetworks, Den Networks, Hathway, d2h and GTPL; and 676 million OTT, mobile, app based and smart TV users via platforms including MX Player, JioTV, ShemarooMe, Snap, Chingari, Samsung TV Plus, Xiaomi MiTV and Amazon Fire TV. The Company's USA based Influencer Marketing division utilizes digital and social media stars to promote third party brands and has primarily been engaged with major studios to promote their theatrical motion picture releases. Due to the closure of theaters as a result of Covid-19 the company has pivoted and expanded its Influencer Marketing campaigns for the fiscal year commencing July 1, 2020, to include Premium Video On Demand (PVOD), Subscription Video On Demand (SVOD) and video game publishers.

Chatterbox Acquisition

On June 14, 2021, the Company acquired 97% of the outstanding common shares of Chatterbox, an influencer marketing company based in India for total consideration of \$4,711,063, as part of the Company's international distribution and strategic partnerships growth strategy. The purchase consideration consisted of cash consideration of \$2,630,345, working capital and 2021 EBITDA adjustments of (\$106,242) and \$2,186,960 of contingent consideration.

The share acquisition of Chatterbox qualified as a business combination and was accounted for using the acquisition method of accounting. Accordingly, the results of Chatterbox have been included in the consolidated financial statements of the Company from the date of acquisition, which is the date the Company obtained control.

QYOU Media Inc.
Management's Discussion and Analysis
September 30, 2021 and 2020

Due to the complexity associated with the valuation process and the short period of time between the acquisition date and the period end, the identification and measurement of the assets acquired, and liabilities assumed, as well as the measurement of contingent consideration is provisional and subject to adjustment on completion of the valuation process and analysis of resulting tax effects. Management will finalize the accounting for the acquisition, specifically the intangible assets, contingent consideration, related tax effects, and the final settlement of working capital, no later than one year from the date of the acquisition and will reflect these adjustments retrospectively as required. Differences between these provisional estimates and the final acquisition accounting may occur and these differences could have a material impact on the Company's future financial position and results of operations.

The allocation of the total consideration to the fair value of the identifiable assets acquired and liabilities assumed as at the date of the acquisition was as follows:

	\$
Cash and cash equivalents	747,785
Trade receivables	256,259
Other receivables	50,718
Customer relationships	298,438
Brand name	619,802
Goodwill	3,274,452
Trade and other payables	(260,919)
Deferred tax liabilities	(275,472)
	4,711,063

Goodwill arising from the acquisition reflects the benefits attributable to synergies, revenue growth and future market development. These benefits were not recognized separately from goodwill because they did not meet the recognition criteria for identifiable intangible assets. Goodwill is not deductible for income tax purposes.

All transaction costs associated with the acquisition have been expensed as incurred, in the amount of \$187,148.

The contingent consideration is classified as Level 3 in the fair value hierarchy. The contingent consideration fair value is based on the present value of the estimated likely obligation. As at September 30, 2021, the fair value of the contingent consideration was \$2,260,780. The Company uses a scenario-based model to independently assess individual earnouts and calculate the fair value of the earnout based on probabilities of success attributable to each individual scenario. The Company then applies a discount based on the time value of money. A 10% change in the discount rate used in the valuation of the contingent consideration as at September 30, 2021, would change the valuation of the liability by approximately \$200,000.

The Non-Controlling Interest ("NCI") on the transaction meets the definition of a liability as the Company is obligated to purchase the remaining 3% of common shares. This is considered contingent consideration and is measured at fair valued through profit or loss.

The contingent consideration as at September 30, 2021 is as follows:

	\$
As at June 30, 2020	—
Acquisition - Chatterbox	2,186,960
Effects of foreign exchange	10,546
Balance – June 30, 2021	2,197,506
Effects of foreign exchange	63,274
Balance – September 30, 2021	2,260,780
Current	787,538
Non-current	1,473,242

QYOU Media Inc.
Management's Discussion and Analysis
September 30, 2021 and 2020

Impact of COVID-19

The outbreak of the novel strain of coronavirus, specifically identified as "COVID-19," has resulted in governments worldwide enacting emergency measures to combat the spread of the virus. These measures, which include the implementation of travel bans, self-imposed quarantine periods and social distancing, have caused material disruption to businesses globally resulting in an economic slowdown. Global equity markets have experienced significant volatility and weakness. Governments and central banks have reacted with significant monetary and fiscal interventions designed to stabilize economic conditions. The extent to which COVID-19 and any other pandemic or public health crisis impacts the Company's business, affairs, operations, financial condition, liquidity, availability of credit and results of operations will depend on future developments that are highly uncertain and cannot be predicted with any meaningful precision, including new information which may emerge concerning the severity of the COVID-19 virus and the actions required to contain the COVID-19 virus or remedy its impact, among others. The duration and impact of the COVID-19 outbreak is unknown at this time, as is the efficacy of the government and central bank interventions. It is not possible to reliably estimate the length and severity of these developments and the impact on the financial results and condition of the Company and its operating subsidiaries in future periods.

Significant Events in the period ended September 30, 2021

- a) The issuance of 7,896,875 of common shares as part of a strategic investment from Brand Capital, the investment arm of BCCL/The Times Group of India at a price of \$0.32 per share. The total gross proceeds from the issuance were \$2,527,000.
- b) The issuance of 10,143,300 common shares due to exercise of compensation options and warrants for proceeds of \$950,290.
- c) The issuance of 1,216,669 common shares due to redemption of restricted share units (RSUs).
- d) The issuance of 100,002 common share due to exercise of share options

Selected Financial Highlights

The following table presents selected interim financial information for the three months ended September 30, 2021 and 2020:

	Three months ended	
	September 30,	
	2021	2020
	\$	\$
Revenue	4,725,463	390,950
Content and production costs	3,065,362	685,417
Other operating expenses	4,012,398	854,866
Total expenses	7,077,760	1,540,283
Net loss	(2,352,297)	(1,149,333)
Loss per share, basic and diluted	(0.01)	(0.00)

	As at September	As at June 30,
	30, 2021	2021
	\$	\$
Cash	7,767,599	9,026,915
Total assets	19,746,423	16,368,820
Total liabilities	6,444,985	5,304,255

Overall Financial Performance

For the three months ended September 30, 2021, revenue increased by \$4,334,513 or 1109% compared to the three months ended September 30, 2020. The increase in revenue over the three months ended September 30, 2021, compared to the equivalent period in the prior year, is primarily due to the revenue growth of the company's TV channel, The "Q", as part of QYOU India, along with strong performance by the QYOU USA Influencer Marketing business unit. The acquisition of Chatterbox contributed to the growth for the three months ended September 30, 2021. For the three months ended September 30, 2020, revenue was negatively impacted by a loss of business due to COVID-19.

QYOU Media Inc.
Management's Discussion and Analysis
September 30, 2021 and 2020

For the three months ended September 30, 2021, content and production costs increased by \$2,379,945 or 347% compared to the three months ended September 30, 2020. The increase for the three months ended September 30, 2021, compared to the equivalent period in the prior year, directly relates to investments into content licensing and production expenses directly associated with the increase in revenue.

For the three months ended September 30, 2021, other operating expenses increased by \$3,157,532 or 369% compared to the three months ended September 30, 2020. The increase in other operating expenses over the three months September 30, 2021, is primarily due to an increase in non-cash related expenses of share-based compensation of \$905,421 along with costs to support the revenue expansion in QYOU India and the acquisition of Chatterbox. For the three months ended September 30, 2020, other operating expenses were impacted by the loss of business due to COVID-19.

As a result of the above, for the three months ended September 30, 2021, net loss increased by \$1,202,964 or 105% compared to the equivalent period in the prior year. The increase for the three months ended September 30, 2021, is due to an increase in expenses offset by an increase in revenue for the period. The net loss for the three months ended September 30, 2021, includes \$1,048,816 (2020 – \$143,395) of non-cash share-based compensation.

The Company concluded the period ended September 30, 2021, with cash of \$7,767,599 (June 30, 2021 – \$9,026,915).

Cash used in operating activities for the period ended September 30, 2021, was \$4,429,615 compared to cash used for the period ended September 30, 2020, of \$1,332,259. The increase in cash used in operating activities is primarily due to the increase in trade receivables, prepayment of marketing and content costs in India and other increases in working capital to support the revenue growth of the Company.

Cash used in investing activities for the period ended September 30, 2021, was \$101,418 compared to cash used in the period ended September 30, 2020, of \$16,104. The increase in cash used in investing activities is primarily due to \$94,384 content production costs.

Cash provided by financing activities for the period ended September 30, 2021, was \$3,193,808 compared to cash provided for the period ended September 30, 2020, of \$1,579,399. The increase in cash provided by financing activities is due to the issuance of 7,896,875 of common shares as part of a strategic investment from Brand Capital, the investment arm of BCCL/The Times Group of India at a price of \$0.32 per share. The total gross proceeds from the issuance were \$2,527,000.

Operating Segments

Reportable segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker, with appropriate aggregation. The chief operating decision maker is the CEO who is responsible for allocating resources, assessing performance of the reportable segment and making key strategic decisions. The Company operates in a single segment, being the production, marketing and distribution of content across broadcast and digital media. Segment performance is evaluated based on profit or loss and is measured consistently with profit or loss in the financial statements.

The Company operates in four geographical areas, being Canada, United States of America, Ireland and India. Revenue and assets by geography are presented below:

As at and for the period ended September 30, 2021						
	Canada	USA	Ireland	India	Intercompany	Total
Revenue	—	1,414,142	4,948	3,306,373	—	4,725,463
Current assets	38,672,318	9,456,899	18,022,161	7,568,038	(58,911,900)	14,807,516
Non-current assets	344,452	40,933	87,494	4,466,028	—	4,938,907

As at and for the period ended September 30, 2020						
	Canada	USA	Ireland	India	Intercompany	Total
Revenue	—	285,419	78,671	26,860	—	390,950
Current assets	22,801,935	7,963,788	19,432,963	18,900	(48,975,838)	1,241,748
Non-current assets	528,589	90,940	90,213	24,823	—	734,565

QYOU Media Inc.
Management's Discussion and Analysis
September 30, 2021 and 2020

For the three months ended September 30, 2021, two (2020 – one) customers represented 10% or more of total revenue.

	September 30, 2021	September 30, 2020
	%	%
Customer 1	14	68
Customer 2	11	—
Percentage of total revenue	25	68

Review of Operations for the Three Months Ended September 30, 2021 and 2020

	Three months ended September 30,			
	2021	2020	Change	%
	\$	\$	\$	%
REVENUE	4,725,463	390,950	4,334,513	1109%
OPERATING EXPENSES				
Content and productions costs	3,065,362	685,417	2,379,945	347%
Sales and marketing	1,199,665	233,045	966,620	415%
Legal and consulting	390,301	153,846	236,455	154%
Salaries and benefits	1,040,992	139,717	901,275	645%
Share-based compensation	1,048,816	143,395	905,421	631%
General and administrative	188,757	80,546	108,211	134%
Depreciation and amortization	61,301	71,604	(10,303)	-14%
Foreign exchange (gain) loss	62,798	(350)	63,148	-18042%
Interest and other expenses	19,768	33,063	(13,295)	100%
Total operating expenses	7,077,760	1,540,283	5,537,477	360%
NET LOSS	(2,352,297)	(1,149,333)	(1,202,964)	105%

The following discussion includes an explanation of the primary factors in changes in operations for the three months ended September 30, 2021 compared to the three months ended September 30, 2020. Additional, less significant changes are not articulated.

Revenue

For the three months ended September 30, 2021, revenue increased by \$4,334,513 or 1109% compared to the equivalent period in the prior year. The increase in revenue over the three months ended September 30, 2021, compared to the equivalent period in the prior year is primarily due to the revenue growth of the company's TV channel, The "Q" as part of QYOU India along with strong performance by the QYOU USA Influencer Marketing business unit. The acquisition of Chatterbox contributed to the growth for the three months ended September 30, 2021. For the three months ended September 30, 2020, revenue was negatively impacted by loss of business due to COVID-19.

Two customers individually representing greater than 10% of the Company's revenue represented 25% of total revenue recognized for the period ended September 30, 2021, as compared to one customer representing 68% of revenue for the period ended September 30, 2020.

Content and Production Costs

Content and production costs represent the costs of sales of earning the Company's revenue and is comprised of content development, production expenses and channel delivery expenses. In India, the Company has produced over 1,100 hours of programming compared to 400 in the prior year.

For the three months ended September 30, 2021, content and production costs increased by \$2,379,945 or 347% compared to the three months ended September 30, 2020. The increase for the three months ended September 30, 2021, compared to the equivalent period in the prior year directly relates to investment into content licensing and

QYOU Media Inc.

Management's Discussion and Analysis

September 30, 2021 and 2020

production expenses directly associated with the increase in revenue. As a percentage of total operating expenses, content and production costs were 43% for the three months ended September 30, 2021, compared with 44% for the equivalent period in 2020.

Selling, General and Administrative Costs

Selling, general and administrative expenses are comprised of sales and marketing, legal and consulting, salaries and benefits, share-based compensation and general and administrative costs.

Selling, general and administrative costs represented 55% of the Company's total operating expenses for the three months ended September 30, 2021, compared to 49% for the three months ended September 30, 2020. For the three months ended September 30, 2021, selling, general and administrative costs increased by \$3,117,982 or 415%, compared to the three months ended September 30, 2020. Comparatively, Revenue for the Company increased by 1109%. The primary drivers of the increase in cost includes non-cash share-based compensation, sales and marketing costs to support the revenue growth in India and USA along with the addition of Chatterbox that was not part of the Company's results in 2020.

Sales and marketing costs increased by \$966,620 or 415% for the three months ended September 30, 2021, compared to the three months ended September 30, 2020. The higher costs are associated with the revenue growth in the India segment. The increase of 415% is a key driver to the company's increased revenue of 1109%.

Legal and consulting costs increased by \$236,455 or 154% for the three months ended September 30, 2021, compared to the three months ended September 30, 2020. With the success and revenue growth in India segment, there were legal costs required to support the growth of customer and supplier relationships. Legal and consulting costs will fluctuate from period to period based on the nature of the transactions the Company undertakes.

Salaries and benefits costs increased by \$901,275 or 645% for the three months ended September 30, 2021, compared to the three months ended September 30, 2020. The higher costs are primarily due to the growth of operations in QYOU India. Current headcount in India is 98 and the company does not anticipate a significant increase in this amount for the remainder of the fiscal year. For the three months ended September 30, 2020, salaries and benefits were impacted by loss of business due to COVID-19.

Share-based compensation increased by \$905,421 or 631% for the three months ended September 30, 2021, compared to the three months ended September 30, 2020, due to the vesting of granted options and RSUs.

General and administrative costs for the three months ended September 30, 2021, increased by \$108,211 or 134% for the three months ended September 30, 2021, compared to the three months ended September 30, 2020. The increase is primarily related to growth of operations and revenue.

Depreciation and Amortization

Depreciation and Amortization decreased by \$10,303 or 14% for the three months ended September 30, 2021, compared to the three months ended September 30, 2020, primarily amortization of the right-of-use asset.

Foreign Exchange (Gain) Loss

Foreign exchange loss during the three months ended September 30, 2021, was \$62,798 compared to a foreign exchange gain of \$350 for the three months ended September 30, 2020. The change in foreign exchange (gain) loss is a result of fluctuating exchange rates from transactions incurred in currencies other than the functional currency of the Company or its subsidiaries.

QYOU Media Inc.

Management's Discussion and Analysis

September 30, 2021 and 2020

Review of Financial Condition as at September 30, 2021 and June 30, 2021

The following is a comparison of the financial position of the Company as at September 30, 2021, to the financial position of the Company as at June 30, 2021.

Cash

Cash as at September 30, 2021, was \$7,767,599 compared to \$9,026,915 as at June 30, 2021, representing a decrease of \$1,259,316. Refer to "Liquidity and capital resources" section for the detailed discussion provided.

Trade and Other Receivables

Trade and other receivables increased by \$2,067,548 or 83% as at September 30, 2021, over the balance as at June 30, 2021. The increase is primarily due to the revenue growth in India and the United States.

Prepaid Expenses

Prepaid expenses increased by \$2,333,443 or 1552% as at September 30, 2021, over the balance as at June 30, 2021. The increase is primarily due to advertising and marketing prepaids related to the India segment.

Capitalized Programming Asset

Capitalized programming asset increased by \$83,285 or 100% as at September 30, 2021, over the balance as at June 30, 2021. The increase is due to content production by QYOU India.

Property and Equipment

Property and equipment increased by \$2,632 or 5% as at September 30, 2021, over the balance as at June 30, 2021. The increase is due to additions during the period, offset by depreciation.

Intangible Assets

Intangible assets increased by \$12,317 or 1% as at September 30, 2021, over the balance as at June 30, 2021. The increase is due to the effects of foreign exchange offset by amortization.

Right-of-Use Assets

Right-of-use assets decreased by \$651 or 0% as at September 30, 2021, over the balance as at June 30, 2021. The decrease is due to depreciation during the period offset by additions and the effects of foreign exchange.

Goodwill

Goodwill increased by \$137,886 or 4% as at September 30, 2021, over the balance as at June 30, 2021. The increase is due to the effects of foreign exchange.

Trade and Other Payables

Trade and other payables increased by \$891,223 or 37% as at September 30, 2021, over the balance as at June 30, 2021. The increase in trade and other payables is primarily due to the timing of payments.

Deferred Revenue

Deferred revenue increased by \$128,221 or 660% as at September 30, 2021, over the balance as at June 30, 2021, primarily driven by Chatterbox.

Contingent Consideration

Contingent consideration increased by \$63,274 or 3% as at September 30, 2021, over the balance as at June 30, 2021. The increase is [primarily due to the effects of foreign exchange.

QYOU Media Inc.
Management's Discussion and Analysis
September 30, 2021 and 2020

Lease Liabilities

Lease liabilities increased by \$5,052 or 1% as at September 30, 2021, over the balance as at June 30, 2021. The change is related to new lease additions, offset by lease payments.

Share Capital and Warrants

The increase in share capital of \$3,372,534 and decrease in warrants of \$63,259 during the period ended September 30, 2021, were due to the following:

[a] During the three months ended September 30, 2021, the Company completed the issuance of 7,896,875 of common shares as part of a strategic investment from Brand Capital, the investment arm of BCCL/The Times Group of India at a price of \$0.32 per share. The total gross proceeds from the issuance were \$2,527,000.

[b] During the three months ended September 30, 2021, 730,800 compensation options were exercised for proceeds of \$36,540. Upon exercise of the compensation options the Company issued 730,800 common shares and 365,400 10 Cent Warrants.

During the three months ended September 30, 2021, 8,862,500 10 Cent Warrants and 550,000 5 Cent Warrants were exercised for proceeds of \$913,750. Upon the exercise of the warrants the Company issued 9,412,500 common shares.

[c] During the three months ended September 30, 2021, 1,216,669 restricted share units were redeemed for 1,216,669 common shares.

[d] During the three months ended September 30, 2021, 100,002 share options were exercised for proceeds of \$7,396 by related parties. Upon the exercise of the share options 100,002 common shares were issued.

Selected Unaudited Consolidated Quarterly Financial Information

The following table presents selected unaudited consolidated quarterly financial information for each of the eight quarters indicated, as prepared in accordance with IFRS.

	Sept. 30, 2021	Jun. 30, 2021	Mar. 31, 2021	Dec. 31, 2020	Sept. 30, 2020	Jun. 30, 2020	Mar. 31, 2020	Dec. 31, 2019
	\$	\$	\$	\$	\$	\$	\$	\$
Total Revenue	4,725,463	2,614,899	208,551	968,139	390,950	364,280	887,898	986,341
Operating Expenses	7,077,760	5,656,311	2,761,440	1,486,717	1,540,283	2,195,034	1,946,120	2,931,285
Net loss attributable to:								
Equity owners of the Company	(2,253,284)	(2,911,609)	(2,472,646)	(483,523)	(1,097,955)	(1,728,663)	(1,008,261)	(1,826,070)
Non-controlling interest	(99,013)	(175,043)	(80,243)	(35,055)	(51,378)	(102,091)	(49,961)	(118,874)
Net loss per share - basic and diluted	(0.01)	(0.01)	(0.01)	(0.00)	(0.00)	(0.01)	(0.01)	(0.01)

Liquidity and capital resources

	As at September 30, 2021	As at June 30, 2021
	\$	\$
Current Assets	14,807,516	11,665,841
Current Liabilities	4,389,959	3,329,611
Working Capital	10,417,557	8,336,230
Total Assets	19,746,423	16,368,820
Total Liabilities	6,444,985	5,304,255
Total Shareholders' equity	13,301,438	11,064,565

Working capital is defined as current assets less current liabilities.

QYOU's capital requirements consist primarily of working capital necessary to fund operations and support a growing business. Sources of funds available to meet these requirements include existing cash balances, cash flow from operations and capital raised through equity financings.

QYOU Media Inc.

Management's Discussion and Analysis

September 30, 2021 and 2020

As of September 30, 2021, the Company had a working capital surplus of \$10,417,557 compared to a working capital surplus of \$8,336,230 as at June 30, 2021. The increase is primarily due to the increase in prepaid expenses.

Cash Flow Activity

Cash used in operating activities for the period ended September 30, 2021, was \$4,429,615 compared to cash used for the period ended September 30, 2020, of \$1,332,259. The increase in cash used in operating activities is primarily due to the increase in trade receivables, prepaid expenses for marketing and content costs and other increases in working capital to support the revenue growth of the Company.

Cash used in investing activities for the period ended September 30, 2021, was \$101,418 compared to cash used in the period ended September 30, 2020, of \$16,104. The increase in cash used in investing activities is primarily due to \$94,384 content production costs.

Cash provided by financing activities for the period ended September 30, 2021, was \$3,193,808 compared to cash provided for the period ended September 30, 2020, of \$1,579,399. The increase in cash provided by financing activities is due to the Company raising higher funds through the issuance of shares and proceeds from exercise of compensation options and warrants in fiscal 2022 relative to fiscal 2021.

Liquidity and Cash Resource Requirements

The Financial Statements have been prepared on the basis of accounting principles applicable to a going concern, which assumes that 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 operations. The Financial Statements do not include any adjustments to the amounts and classification of assets and liabilities that would be necessary should the Company be unable to continue as a going concern.

Commitments

As at September 30, 2021, the Company did not have any commitments other than those reported in the financial statements.

Off-Balance Sheet Arrangements

The Company has no off-balance sheet arrangements other than those described under commitments above.

Transactions between Related Parties

Key management personnel and directors include the Company's CEO, CFO, executives and members of the Board of Directors. The compensation paid or payable to key management and directors comprised of the following: Compensation expense for the Company's key management personnel for the three months ended September 30, 2021 and 2020 is as follows:

	2021	2020
	\$	\$
Salaries, benefits and consulting fees	391,237	270,540
Share-based payments	795,813	131,204
	1,187,050	401,744

During the three months ended September 30, 2021, 1,216,669 restricted share units were redeemed for 1,216,669 common shares by related parties.

During the three months ended September 30, 2021, 100,002 share options were exercised for proceeds of \$7,396 by related parties. Upon the exercise of the share options 100,002 common shares were issued.

Significant Accounting Policies and Critical Accounting Estimates

We describe our significant accounting policies and critical accounting estimates in Note 2 and 3 to the Company's audited consolidated financial statements for the year-ended June 30, 2021.

QYOU Media Inc.

Management's Discussion and Analysis

September 30, 2021 and 2020

Financial Instruments and Risk Management

The Company's financial instruments consist of cash, trade receivables, other receivables, borrowings and trade and other payables. The carrying value of the Company's financial instruments approximates fair value due to their immediate or short-term maturity. The Company does not use derivative financial instruments to manage existing exposures.

In the year ended September 30, 2021, there was no material change to the nature of risks arising from or classification of financial instruments, or related risk management objectives.

Risks and Uncertainties

The results of operations and financial condition of the Company are subject to a number of risks and uncertainties, and are affected by a number of factors outside of the control of management. An investment in the Company's securities involves risks. Before making an investment decision with respect to our securities, you should carefully consider the risks and uncertainties described elsewhere in this MD&A and those described under the heading "Risk Factors" in the Company's annual information form and in other publicly available disclosure documents filed by the Company on SEDAR (www.sedar.com). The risks and uncertainties described in the documents referred to in the preceding sentence and in other documents filed by us with Canadian securities regulatory authorities are not the only ones we may face. Those risks and uncertainties, together with additional risks and uncertainties not currently known to us or that we may deem immaterial, could impair our business, financial condition and results of operations. The market price of our securities could decline if one or more of these risks and uncertainties develop into actual events, and you may lose all or part of your investment.

Currency Risk

Foreign currency risk arises on financial instruments that are denominated in a currency other than the functional currency in which they are measured. The Company's primary exposure with respect to foreign currencies is from Canadian dollar denominated cash and other payables. A 1% change in the foreign exchange rates would not result in any significant impact to the financial statements.

Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company is not exposed to interest rate risk as at September 30, 2021.

Other Price Risk

Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market. The Company is not exposed to other price risks as at September 30, 2021.

Credit Risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligation and arises principally from deposits with banks and outstanding receivables. The Company trades only with recognized, creditworthy third parties. The Company performs credit checks for all customers who wish to trade on credit terms. As at September 30, 2021, two customers represented 32.6% (June 30, 2021 – 35.1%) of the outstanding trade receivable balance. As at September 30, 2021, the Company increased its provision to \$132,339 (June 30, 2021 - \$120,456) for expected credit loss.

The Company does not hold any collateral as security but mitigates this risk by dealing only with what management believes to be financially sound counterparties and, accordingly, does not anticipate significant loss for non-performance.

QYOU Media Inc.
Management's Discussion and Analysis
September 30, 2021 and 2020

The aging of trade receivables is as follows:

	September 30, 2021	June 30, 2021
	\$	\$
Current	1,895,842	1,450,307
1 to 30 days	887,469	574,589
31 to 60 days	170,409	77,737
> 60 days	191,211	173,839
	3,144,931	2,276,472
Less: credit loss impairment	132,339	120,456
Total trade receivables	3,012,592	2,156,016

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they become due. The Company's exposure to liquidity risk is dependent on the Company's ability to raise additional financing to meet its commitments and sustain operations. The Company mitigates liquidity risk by management of working capital, cash flows and the issuance of share capital.

The Company is obligated to the following contractual maturities of undiscounted cash flows:

	Contractual cash flows						
	Carrying amount	Total contractual cash flows	Year 1	Year 2	Year 3	Year 4	Year 5 and beyond
	\$	\$	\$	\$	\$	\$	\$
Trade and other payables	3,291,682	3,291,682	3,291,682	—	—	—	—
Lease liabilities	395,569	462,966	151,922	162,943	85,730	57,556	4,815
Contingent consideration	2,260,780	2,532,087	820,901	841,409	869,777	—	—
Borrowings	64,542	312,006	11,176	11,176	11,176	11,176	267,302

Fair values

The carrying values of cash and cash equivalents, trade receivables, other receivables, borrowings and trade and other payables approximate the fair values due to the short-term nature of these items. The risk of material change in fair value is not considered to be significant due to a relatively short-term nature. The carrying value of borrowings approximate the fair value and change risk of material change in fair value is not considered to be significant. The Company does not use derivative financial instruments to manage this risk.

Financial instruments recorded at fair value on the consolidated statements of financial position are classified using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The Company categorizes its fair value measurements according to a three-level hierarchy. The hierarchy prioritizes the inputs used by the Company's valuation techniques. A level is assigned to each fair value measurement based on the lowest-level input significant to the fair value measurement in its entirety. The three levels of the fair value hierarchy are defined as follows:

- Level 1 – Unadjusted quoted prices as at the measurement date for identical assets or liabilities in active markets.
- Level 2 – Observable inputs other than quoted prices included in Level 1, such as quoted prices for similar assets and liabilities in active markets; quoted prices for identical or similar assets and liabilities in markets that are not active; or other inputs that are observable or can be corroborated by observable market data.
- Level 3 – Significant unobservable inputs, which are supported by little or no market activity. The fair value hierarchy also requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value.

QYOU Media Inc.

Management's Discussion and Analysis

September 30, 2021 and 2020

The fair value hierarchy requires the use of observable market inputs whenever such inputs exist. A financial instrument is classified to the lowest level of the hierarchy for which a significant input has been considered in measuring fair value. The contingent consideration is recognized as Level 3.

Disclosure of Equity and Outstanding Share Data

The Company's authorized share capital currently consists of an unlimited number of First Preferred Shares, Second Preferred Shares and Common Shares. As of the date hereof, there are 401,290,148 Common Shares, nil First Preferred Shares and nil Second Preferred Shares issued and outstanding. As of the date hereof, the Company also has issued and outstanding:

Share options	35,783,820
Compensation options	4,140,899
RSUs	17,949,993
Warrants	35,760,575

Subsequent Events

On November 22, 2021, 3,150,000 share options were granted to certain employees, officers and consultants of the Company pursuant to the Company's share option plan. The share options are exercisable at a price \$0.275 per share option, vest on a monthly basis for a period of 4 years and expire 5 years from the grant date. Of the total share options granted, 1,700,000 were to related parties.

On November 22, 2021, 275,000 share options were granted to a consultant of the Company pursuant to the Company's share option plan. The share options are exercisable at a price \$0.275 per share option, vest 25% at the date of issuance followed by 22,916 a month for eight months and 22,922 in the ninth month. The share options expire 5 years from the grant date.

On November 22, 2021, 3,150,000 RSUs were granted to certain employees, officers and consultants of the Company, vesting annually over three years from the grant date. Of the total RSUs granted, 1,900,000 were to related parties.

From October 29, 2021 to November 18, 2021, 150,583 compensation options and 320,000 warrants were exercised for total proceeds of \$26,329. Resulting in the issuance of 470,583 common shares and 110,291 warrants.

From October 1, 2021 to November 3, 2021, 25,000 share options were exercised for total proceeds of \$5,625. Resulting in the issuance of 25,000 common shares to related parties.

Investor Information

Stock Exchange Listing

The Common Shares of the Company are listed on the TSXV under the symbol "QYOU".

Transfer Agent and Registrar

Computershare Investor Services Inc.

Auditors

MNP LLP

Investor Relations

If you have inquiries, please visit our website at www.theqyou.com or contact: shareholder@qyoutv.com