



QYOU MEDIA INC.

MANAGEMENT'S DISCUSSION AND ANALYSIS

For the three and nine months ended September 30, 2023 and 2022

November 29th, 2023

QYOU Media Inc.

Management's Discussion and Analysis

As at September 30, 2023 and 2022

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 and nine months ended September 30, 2023 and 2022. This MD&A was prepared as of November 29, 2023 and should be read in conjunction with the Company's audited consolidated financial statements for the periods ended December 31, 2022, 2021 and June 30, 2021, and the notes related thereto (the "Annual Financial Statements"), the unaudited condensed consolidated interim financial statements for the three and nine months ended September 30, 2023 and 2022 (the "Interim Financial Statements") and with the annual MD&A for the periods ended December 31, 2022, 2021 and 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.

Change of Fiscal Year-end

During February 2022, pursuant to Section 4.8(2) of National Instrument 51-102 – *Continuous Disclosure Obligations*, the Company provided notice that it decided to change its fiscal year end from June 30 to December 31 to align the Company's year-end with that of comparable media companies, allowing investors to more easily compare quarterly and annual financial results. Accordingly, the consolidated financial statements present the statements of financial position as at December 31, 2022 and 2021, and the results of operations for the periods ended December 31, 2022, 2021 and June 30, 2021.

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.

Also, additional information is available in the company's Annual Information Return (AIF) available on 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,

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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 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 June 30, 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 Limited ("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%). In June 2022, the Company injected cash of \$1,272,515 in exchange for 100% of Compulsorily Convertible Preference Shares ("CCPS").

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. During the three months ended June 30, 2022, the Company acquired an additional 1% of the shares of Chatterbox in connection with the first contingent consideration payment, resulting in a decrease of the ownership interest held by non-controlling shareholders to 2% (December 31, 2021 - 3%).

On January 31, 2023, the Company subscribed newly issued common shares of Maxamtech Digital Ventures Private Limited ("Maxamtech"), an India based venture creating technology and games for the mobile gaming industry, resulting in the Company owning 51% of the issued and outstanding common shares.

Description of the Business

QYOU operates in India and the United States producing and distributing content created by social media stars and digital content creators. Founded and created by industry veterans from Lionsgate, MTV, Disney and Sony, QYOU's millennial and Gen Z-focused content reaches more than one billion consumers around the world every month.

In the United States, via QYOU USA Inc., we create and manage influencer marketing campaigns for major film studios, game publishers and other consumer brands and categories. This content is distributed via various large scale social platforms including TikTok, YouTube, Instagram, Snapchat and X (formerly known as Twitter).

In India, via the Company's flagship television broadcast brand, The Q, and via additional digital channels (The Q Kahaniyan, The Q Comedistaan and QGameX, Sadhguru TV and Bollywood Hungama), we curate, produce and distribute premium content via television networks, video on demand ("VOD") for cable and satellite television, in addition to OTT, connected TV and mobile and app-based platforms. With a growing library of over 1,300 programs, the channels reach an estimated audience of over 800 million and are viewed weekly by over 125 million television and digital homes via partners including DD Free Dish, Den Networks, Hathway, d2h and GTPL, and via OTT, mobile, app based and smart TV users via platforms including JioTV, Snap, Chingari, Samsung TV Plus, Xiaomi MiTV and Amazon

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FireStick TV. Our India based influencer marketing division, Chatterbox, is among India's leading influencer marketing platforms connecting brands and social media influencers. Maxamtech currently operates the direct-to-consumer app Q GamesMela, via its proprietary platform, Gaming 360. Historically, its respective list of clients and partners have included Vodafone, Disney India, Sony, Viacom 18, Zee5, Ooredoo, Gance, SpiceJet and many others.

2022 Financing

During the three months ended December 31, 2022, the Company completed a short form prospectus offering and issued 25,600,000 units as part of a public offering and 1,840,000 units as part of a private offering in total of 27,440,000 units at a price of \$0.125 per unit. The total gross proceeds from the issuance was \$3,430,000. Each unit is comprised of one common share of the Company and one-half of one common share purchase warrant exercisable to purchase one common share at a price of \$0.20. One warrant is exercisable to purchase one common share in the capital of the Company until November 17, 2024.

The net proceeds are anticipated to be used to fund its cash requirements for its operations as currently conducted, as well as to grow its operations, as set forth below:

Principal Purposes of Net Proceeds	Net Proceeds Allocated	Actual Use of Funds	Available Funds
Investment to build out the Indian operations including: <ul style="list-style-type: none"> • Direct to consumer mobile gaming; and • Digital channels 	\$1,500,000 750,000 750,000	\$1,086,303 776,221 310,082	\$413,697 (26,221) 439,918
Unallocated working capital and general and administrative expenses	\$1,295,892	\$1,014,051	\$281,841
TOTAL	\$2,795,892	\$2,100,354	\$695,538

Prior Financing

During the three months ended March 31, 2021, the Company completed a short form prospectus offering on a "bought" deal basis and issued 41,071,560 units of the Company at a price of \$0.28 per unit, for aggregate gross proceeds of \$11,500,037 (the "February Bought Offering"). Our principal uses of funds from the February Bought Offering were used for operating expenses, capital expenditures, acquisition of new business and finance costs requirements to pursue our future growth strategies. The following table provides a comparison of the estimated use of proceeds, as disclosed in the Company's short form prospectus dated February 22, 2021 and the Company's actual use of proceeds from April 1, 2021 to December 31, 2022:

Principal Purposes of Net Proceeds	Available Funds	Actual Use of Funds	Variance
Funding of the Company's cash requirements to fund operations as currently conducted for approximately the next 12 months	\$2,500,000	\$2,500,000	Nil
Investment to build out the Company's Indian operations, including: <ol style="list-style-type: none"> 1. Distribution contracts; 2. Ad sales; 3. Content licensing; and 4. Branding efforts 	\$5,200,000 3,500,000 900,000 300,000 500,000	\$5,200,000 3,500,000 900,000 300,000 500,000	Nil
Investment to build out the Company's US influencer operations through investment in sales and marketing to fund revenue growth	\$500,000	\$500,000	Nil
Unallocated working capital and general and administrative expenses	\$650,029	\$650,029	Nil
TOTAL	\$8,850,029	\$8,850,029	Nil

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Maxamtech Acquisition

On January 31, 2023, the Company subscribed newly issued common shares of Maxamtech Digital Ventures Private Limited (“Maxamtech”) for cash consideration of \$467,500, resulting in the Company owning 51% of the issued and outstanding common shares. Maxamtech is an India based venture creating technology and games for the mobile gaming industry and is part of the Company’s international distribution and strategic partnership growth strategy.

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

Due to the complexity associated with the valuation process and short period of time between the acquisition date and the period end, the identification and measurement of the assets acquired and liabilities assumed 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 and related tax effects, no later than one year from the date of the acquisition and will reflect these adjustments retrospectively as required under IFRS 3. Differences between these provisional estimates and the final acquisition accounting may occur and these differences could have an 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:

	\$
Total cash consideration paid	467,500
Net identifiable assets acquired (liabilities assumed)	
Cash	470,271
Trade receivables	65,408
Other receivables	19,388
Property and equipment, net	7,015
Intangible assets - Platform Development	216,008
Trade and other payables	(153,247)
	624,843
Purchase price allocation	
Net identifiable assets acquired	624,843
Non-controlling interest	(306,173)
Goodwill	148,830
	467,500
Net cash outflows	
Cash consideration paid	467,500
Cash acquired	(470,271)
	(2,771)

Non-controlling interest is recognized at the non-controlling interest’s proportionate share of Maxamtech’s fair value of identifiable net assets.

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 as they did not meet the recognition criteria for identifiable intangible assets. Goodwill is not deductible for income tax purposes.

QYOU Media Inc. has committed to provide Maxamtech with an intercompany loan up to an aggregate of \$330,000 in the next 3 years.

The Company has the option to acquire up to 12% of shares in the calendar year 2024, 20% in 2025 and 17% in 2026 on a fully diluted basis.

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MD&A – Quarterly Highlights

To supplement our consolidated interim financial statements, which are prepared and presented in accordance with International Financial Reporting Standards (“IFRS”), we present Earnings Before Income Tax Depreciation and Amortization (“Adjusted EBITDA”) which is a non-IFRS financial measure. The presentation of non-IFRS financial measurement is not intended to be considered in isolation from, or as a substitute for, or superior to, operating loss or net income (loss) or any other performance measures derived in accordance with IFRS or as an alternative to net cash provided by operating activities or any other measures of cash flows or liquidity.

We define Adjusted EBITDA as revenue minus operating expenses excluding non-cash or material non-recurring operating expenses including but not limited to stock-based compensation, marketing credits, gain or loss on remeasurement of contingent consideration, impairment of goodwill, remeasurement of derivatives, depreciation and amortization. Adjusted EBITDA is used as an internal measure to evaluate the performance of our operating segments. We believe that information about this non-IFRS financial measure assists investors by allowing them to evaluate changes in operating results of our business separate from non-operational factors that affect operating loss and net loss, thus providing insights into both operations and other factors that affect reported results. A limitation of the use of Adjusted EBITDA as a performance measure is that it does not reflect the periodic costs of certain amortizing assets used in generating revenue in our business. Furthermore, this measure may vary among companies; thus Adjusted EBITDA as presented herein may not be comparable to similarly titled measures of other companies.

Significant Events for three months ended September 30, 2023

- The company continued its year-over-year growth of revenue for the 10th consecutive quarter. However, revenue growth slowed compared to prior quarters due to the SAG-AFTRA strike in the United States, the unfavorable global macro-economic environment around inflation and interest rates and the strategic move by the Company to focus investment and growth on the direct-to-consumer gaming business that has yet to provide material revenue contribution.
- Raj Mishra, a former TikTok Country Manager, has been appointed as India Group CEO overseeing all Indian operations. As Mr. Mishra focuses on increasing operational and financial synergies and strengths among the three Indian revenue generating business units (QYOU India, Chatterbox and Maxamtech), the Company looks forward to further pivoting in India into digital distribution and direct-to-consumer initiatives.
- Maxamtech launched the cash gaming portion of Q GamesMela, QYOU's direct-to-consumer casual mobile gaming app.

Selected Financial Highlights

The following table presents selected financial information for the three months ended September 30, 2023 and 2022:

For the three months ended September 30, 2023	2023	2022	Change	Change
	\$	\$	\$	%
Revenue	7,279,874	7,244,558	35,316	0.5%
Content and production costs	4,475,466	4,620,558	(145,092)	-3%
Other operating expenses	3,714,915	3,332,016	382,899	11%
Total expenses	8,190,381	7,952,574	237,807	3%
Adjusted EBITDA	(910,507)	(708,016)	(202,491)	-29%
Total non-cash and non-recurring items	906,943	1,482,757	(575,814)	-39%
Interest & Taxes	106,916	(73,096)	180,012	246%
Net loss	(1,924,366)	(2,117,677)	193,311	-9%
Loss per share, basic and diluted	(0.01)	(0.01)		

Overall Financial Performance for the three months ended September 30, 2023 and 2022

REVENUE

For the three months ended September 30, 2023, revenue increased by \$35,316 or 0.5% compared to same period of the prior year. Revenue growth has been hampered primarily by the SAG-AFTRA strike in the United States, the

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unfavorable global macro-economic environment and the strategic move by the Company to enter the direct-to-consumer business which has yet to make material revenue contribution.

EXPENSES

For the three months ended September 30, 2023, content and production costs decreased by \$142,092 or 3% compared to prior year, primarily driven by concerted effort to move investment dollars toward the direct-to-consumer apps as they have a higher return potential.

Other operating expenses increased by \$382,899 or 11% associated with the increase in workforce for all operating business units. The business is well poised to take advantage of the improving economic conditions.

ADJUSTED EBITDA

For the three months ended September 30, 2023 compared to same period prior year, Adjusted EBITDA decreased by \$202,491, most significantly driven by slowing revenue growth and an increase in workforce with focus on the direct-to-consumer gaming segment of the Company.

NON-CASH AND NON-RECURRING ITEMS

Non-cash items comprise of stock-based compensation, non-recurring expenses, marketing credits and depreciation and amortization. For the three months ended September 30, 2023, non-cash or non-recurring items decreased by \$575,814 or 39%, most significantly driven by savings in marketing credits.

INTEREST & TAXES

For the three months ended September 30, 2023 interest and tax expenses increased by \$180,012 or 246% when compared to same period prior year, mainly driven by income tax expense in the current period.

NET LOSS

For the three months ended September 30, 2023, net loss improved by \$193,311 or 9%, driven by revenue growth and expansion of all revenue generating business units.

CASH

For the three months ended September 30,

	2023	2022
	\$	\$
Cash provided (used) by operating activities	183,691	(818,754)
Cash used in investing activities	(198,526)	(253,103)
Cash used in financing activities	(79,826)	(63,661)
Effect of foreign exchange on cash	1,891	31,873
Cash and cash equivalents, beginning of period	1,794,281	4,181,414
Cash and cash equivalents, end of period	1,701,511	3,077,769

The Company concluded the period ended September 30, 2023 with cash of \$1,701,511 (September 30, 2022 - \$3,077,769).

Cash provided by operating activities for the three months ended September 30, 2023 was \$183,691 compared to the cash used in operating activities for the three months ended September 30, 2022 of \$818,754. The increase in cash provided by operating activities is primarily due to the increase in collection of trade receivables.

Cash used in investing activities for the three months ended September 30, 2023 was \$198,526 compared to cash used in investing activities of \$253,103 for the three months ended September 30, 2022. The decrease in the cash used in investing activities was due to strategic cut-back in development of original programming assets in response to the slowing revenue growth in the digital content production and distribution segment of the Company.

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Cash used in financing activities for the three months ended September 30, 2023 was \$79,826 compared to cash used in financing activities of \$63,661 for the three months ended September 30, 2022. The increase in cash used in financing activities is due repayment of lease obligations.

Overall Financial Performance for the nine months ended September 30, 2023 and 2022

The following table presents selected interim financial information for the nine months ended September 30, 2023 and 2022:

For the nine months ended September 30,	2023	2022	Change	Change
	\$	\$	\$	%
Revenue	22,041,314	19,362,601	2,678,713	14%
Content and production costs	13,351,309	12,596,941	754,368	6%
Other operating expenses	10,904,790	9,382,388	1,522,402	16%
Total expenses	24,256,099	21,979,329	2,276,770	10%
Adjusted EBITDA	(2,214,785)	(2,616,728)	401,943	15%
Total non-cash and non-recurring items	2,623,874	4,875,057	(2,251,183)	-46%
Interest & Taxes	24,255	231,106	(206,851)	-90%
Net loss	(4,862,914)	(7,722,891)	2,859,977	-37%
Loss per share, basic and diluted	(0.01)	(0.02)		

REVENUE

For the nine months ended September 30, 2023 revenue increased by \$2,678,713 or 14% compared to same period prior year. The increase in revenue is primarily due to revenue growth of all revenue generating business units.

EXPENSES

For the nine months ended September 30, 2023, content and production costs increased by \$754,368 or 6% compared to prior year to help fuel the revenue growth of all revenue generating business units.

Other operating expenses increased by \$1,522,402 or 16% associated with the revenue growth and expansion of the business at all operating business units.

ADJUSTED EBITDA

For the nine months ended September 30, 2023 compared to same period prior year, Adjusted EBITDA increased by \$401,943 or 15% driven by the revenue growth offset by higher operating expenses related to the growth of the business across all operating business units.

NON-CASH AND NON-RECURRING ITEMS

Non-cash items comprise of stock-based compensation, non-recurring expenses, marketing credits and depreciation and amortization. For the nine months ended September 30, 2023, non-cash and non-recurring items decreased by \$2,251,183 or 46% due to savings in marketing credits and non-recurring charges related to exploration of potential senior exchange market in the current year.

INTEREST & TAXES

For the nine months ended September 30, 2023, interest and taxes decreased by \$206,851 or 90% when compared to prior year.

NET LOSS

For the nine months ended September 30, 2023, net loss improved by \$2,859,977 or 37% driven by the revenue growth offset by increase in workforce.

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CASH

For the nine months ended September 30,	2023	2022
	\$	\$
Cash used in operating activities	(465,899)	(2,973,811)
Cash used in investing activities	(1,118,508)	(1,296,083)
Cash provided (used) by financing activities	(228,917)	694,454
Effect of foreign exchange on cash	3,884	104,319
Cash and cash equivalents, beginning of period	3,510,951	6,548,890
Cash and cash equivalents, end of period	1,701,511	3,077,769

The Company concluded the nine months ended September 30, 2023 with cash of \$1,701,511 (December 31, 2022 - \$3,510,951).

Cash used in operating activities for the nine months ended September 30, 2023 was \$465,899 compared to \$2,973,811 for the nine months ended September 30, 2022. The decrease in cash used in operating activities is primarily due to the increase in Adjusted EBITDA, collection of trade receivables offset by higher cash used on trade payables.

Cash used in investing activities for the nine months ended September 30, 2023 was \$1,118,508 compared to \$1,296,083 for the nine months ended September 30, 2022. The decrease in the cash used in investing activities was due to strategic cut-back in development of original programming assets in response to the slowing revenue growth in the digital content production and distribution segment of the Company.

Cash used by financing activities for the nine months ended September 30, 2023 was \$228,917 compared to \$694,454 provided for the nine months ended September 30, 2022. In prior year, the Company raised funds through exercise of options and warrants post non-brokered private placement during the period ended March 31, 2021.

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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 Chief Executive Officer 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. The business in Ireland has been in run off and is not a key contributor to the results in the current year. Revenue and assets by geography are presented below:

As at and for the three and nine months ended September 30, 2023					
	Canada	USA	Ireland	India	Total
Revenue (three months ending September 30, 2023)	—	3,740,591	—	3,539,283	7,279,874
Revenue (nine months ending September 30, 2023)	—	10,908,191	—	11,133,123	22,041,314
Current assets	815,504	4,400,677	5,854	6,330,291	11,552,326
Non-current assets	359,081	38,690	—	3,025,307	3,423,078

As at and for the three and nine months ended September 30, 2022					
	Canada	USA	Ireland	India	Total
Revenue (three months ending September 30, 2022)	—	3,179,839	(195)	4,064,914	7,244,558
Revenue (nine months ending September 30, 2022)	—	7,070,530	10,630	12,281,441	19,362,601
Current assets	795,670	3,930,335	6,624	7,513,660	12,246,289
Non-current assets	4,681,804	40,962	79,112	846,879	5,648,757

During the period ended September 30, 2023, one customer (2022 – one customer) represented 10% or more of total revenue.

	September 30, 2023	September 30, 2022
	%	%
Customer 1	17%	14

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Review of Operations for the Three Months Ended September 30, 2023 and 2022

For the three months ended September 30,	2023	2022	Change	Change
	\$	\$	\$	%
Revenue	7,279,874	7,244,558	35,316	0.5%
OPERATING EXPENSES				
Content and productions costs	4,475,466	4,620,558	(145,092)	-3%
Sales and marketing	810,461	845,663	(35,202)	-4%
Legal and consulting	404,938	428,938	(24,000)	-6%
Salaries and benefits	1,923,298	1,496,034	427,264	29%
General and administrative	426,368	620,367	(193,999)	-31%
Foreign exchange (gain) loss	149,850	(58,986)	208,836	-354%
Total operating expenses	8,190,381	7,952,574	237,807	3%
Adjusted EBITDA	(910,507)	(708,016)	(202,491)	-29%
Marketing		224,625	(224,625)	-100%
Share-based compensation	519,169	744,980	(225,811)	-30%
Non-recurring expenses	—	328,943	(328,943)	-100%
Depreciation and amortization	387,774	184,209	203,565	111%
Interest and other expenses	94,263	52,948	41,315	78%
Loss before income taxes	(1,911,713)	(2,243,721)	332,008	15%
Income tax expense (recovery)	12,653	(126,044)	138,697	-110%
Net loss	(1,924,366)	(2,117,677)	193,311	9%

The following discussion includes an explanation of the primary factors in changes in operations for the three months ended September 30, 2023 and 2022. Less significant changes are not articulated.

Revenue

For the three months ended September 30, 2023, revenue increased by \$35,316 or 0.5% compared to same period prior year. Revenue growth has been hampered primarily by the SAG-AFTRA strike in the United States and unfavourable global macro-economic environment.

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 and channel delivery expenses.

For the three months ended September 30, 2023, content and production costs decreased by \$145,092 or 3% as compared to same period prior year. As a percentage of sales, content and production costs were 61% this period versus 64% in the same period prior year, which represents an improvement in gross margins from 36% to 39%. Investments in traditional content have been reprioritized toward the direct-to-consumer apps given the higher return potential.

Operating Costs

Selling, general and administrative costs represented 50% of total operating expenses for the three months ended September 30, 2023 compared to 56% for the same period prior year. Selling, general and administrative costs decreased by 9% compared to same period prior year.

Salaries and benefits costs increased by \$427,264 or 29% for the three months ended September 30, 2023 when compared to \$1,496,034 for same period prior year. The increase in salaries and benefit costs is primarily due to the growth of operations in all operating business units.

General and administrative costs decreased by \$193,999 or 31% for the three months ended September 30, 2023 compared to same period prior year mainly driven by operation efficiencies achieved. In the prior year, the Company

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made concerted effort to minimize general and administrative costs to manage the business downturn due to the COVID-19 pandemic.

Foreign Exchange (Gain) Loss

Foreign exchange during the three months ended September 30, 2023 was a loss of \$149,850 compared to same period prior year of gain of \$58,986. 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.

Share-Based Compensation

Share-based compensation decreased by \$225,811 or 30% for the three months ended September 30, 2023 compared to same period prior year driven by exercised, expired or cancelled options and RSUs redeemed during the period.

Depreciation and Amortization

Depreciation and amortization increased by \$203,565 or 111% for the three months ended September 30, 2023 compared to same period prior year due to an increase in original programming assets at QYOU India in the same period prior year.

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Review of Operations for the Nine Months ended September 30, 2023 and 2022

For the nine months ended September 30,	2023	2022	Change	Change
	\$	\$	\$	%
Revenue	22,041,314	19,362,601	2,678,713	14%
OPERATING EXPENSES				
Content and productions costs	13,351,309	12,596,941	754,368	6%
Sales and marketing	2,471,880	2,502,371	(30,491)	-1%
Legal and consulting	1,287,140	1,586,152	(299,012)	-19%
Salaries and benefits	5,656,777	3,851,064	1,805,713	47%
General and administrative	1,485,711	1,505,193	(19,482)	-1%
Foreign exchange (gain) loss	3,282	(62,392)	65,674	-105%
Total operating expenses	24,256,099	21,979,329	2,276,770	10%
Adjusted items				
Adjusted EBITDA	(2,214,785)	(2,616,728)	401,943	15%
Marketing	—	1,467,872	(1,467,872)	-100%
Share-based compensation	1,816,855	2,615,022	(798,167)	-31%
Gain on termination of lease	—	(12,437)	12,437	-100%
Loss on remeasurement of contingent consideration	—	25,952	(25,952)	-100%
Non-recurring expenses	—	328,943	(328,943)	-100%
Depreciation and amortization	807,019	449,705	357,314	79%
Interest and other expenses	38,351	207,186	(168,835)	-81%
Loss before income taxes	(4,877,010)	(7,698,971)	2,821,961	37%
Income tax expense (recovery)	(14,096)	23,920	(38,016)	-159%
Net loss	(4,862,914)	(7,722,891)	2,859,977	37%

The following discussion includes an explanation of the primary factors in changes in operations for the six months ended September 30, 2023 and 2022. Less significant changes are not articulated.

Revenue

For the nine months ended September 30, 2023, revenue increased by \$2,678,713 or 14% compared to the nine months ended September 30, 2022, driven by significant revenue growth in all revenue generating operating business units.

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.

For the nine months ended September 30, 2023, content and production costs increased by \$754,368 or 6% as compared to the nine months ended September 30, 2022. As a percentage of total operating expenses, content and production costs were 55% during the nine months ended September 30, 2023, compared to 57% for the same period prior year. As a percentage of sales, content and production costs were 61% this period versus 65% in the same period prior year.

Operating Costs

Selling, general and administrative costs represented 52% of total operating expenses for the nine months ended September 30, 2023 compared to 56% for the same period prior year. Selling, general and administrative costs increased \$329,618 or 3% due to an increased workforce across all operating units.

Legal and consulting costs decreased by \$299,012 or 19% for the nine months ended September 30, 2023 to \$1,287,140 compared to \$1,586,152 for the nine months ended September 30, 2022. Legal and consulting costs will fluctuate from period to period based on the nature of the transactions the Company undertakes.

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Salaries and benefits costs increased by \$1,805,713 or 47% to \$5,656,777 for the nine months ended September 30, 2023 when compared to \$3,851,064 for the nine months ended September 30, 2022. The increase in salaries and benefit costs is primarily due to the growth of operations in all operating business units.

General and administrative costs decreased by \$19,482 or 1% to \$1,485,711 for the nine months ended September 30, 2023 compared to \$1,505,193 for the same period prior year related to operating efficiencies achieved as mentioned.

Foreign Exchange (Gain) Loss

Foreign exchange during the nine months ended September 30, 2023 was a loss of \$3,282 compared to the nine months ended September 30, 2022 gain of \$62,392. The change in foreign exchange gain is a result of fluctuating exchange rates from transactions incurred in currencies other than the functional currency of the Company or its subsidiaries.

Share-Based Compensation

Share-based compensation decreased by \$798,167 or 31% for the nine months ended September 30, 2023 when compared to the nine months ended September 30, 2022 directly related to options exercised, expired or cancelled and RSUs redeemed during the period.

Depreciation and Amortization

Depreciation and amortization increased by \$357,314 or 79% for the nine months ended September 30, 2023 to \$807,019 compared to \$449,705 for the nine months ended September 30, 2022 due amortization expenses of original programming assets at QYOU India.

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Review of Financial Condition as at September 30, 2023

Cash and Cash Equivalents

Cash decreased by \$1,809,440 or 52% to \$1,701,511 as at September 30, 2023, compared to \$3,510,951 as at December 31, 2022. The use of cash is primarily for channel distribution along with investing in original content, direct-to-consumer application platform and digital channels in India. Refer to "Liquidity and capital resources" section for the detailed discussion provided. Here again we are comparing it to the previous quarter.

Trade and Other Receivables

Trade and other receivables decreased by \$2,133,759 or 31% as at September 30, 2023, compared to December 31, 2022 due to a strong collection effort.

Property and Equipment

Property and equipment increased by \$3,681 or 3% as at September 30, 2023, over the balance as at December 31, 2022. The increase is attributed to additions partially offset by depreciation expense.

Intangible Asset

A summary of the Company's intangible assets is as follows:

	Brand QYOU \$	Brand Chatterbox \$	Customer relationships \$	Platform Development \$	Total \$
As at December 31, 2021	85,071	636,241	306,353	—	1,027,665
Effects of foreign exchange	396	(24,284)	(11,693)	—	(35,581)
As at December 31, 2022	85,467	611,957	294,660	—	992,084
Additions	—	—	—	569,235	569,235
Acquisition - Maxamtech	—	—	—	216,008	216,008
Effects of foreign exchange	(911)	(3,736)	(1,799)	(2,751)	(9,197)
As at September 30, 2023	84,556	608,221	292,861	782,492	1,768,130

	Brand QYOU \$	Brand Chatterbox \$	Customer relationships \$	Platform Development \$	Total \$
Accumulated amortization					
As at December 31, 2021	—	—	29,726	—	29,726
Amortization	—	—	49,627	—	49,627
Effects of foreign exchange	—	—	(3,234)	—	(3,234)
As at December 31, 2022	—	—	76,119	—	76,119
Amortization	—	—	24,283	—	24,283
Effects of foreign exchange	—	—	(90)	—	(90)
As at September 30, 2023	—	—	100,312	—	100,312

	Brand QYOU \$	Brand Chatterbox \$	Customer relationships \$	Platform Development \$	Total \$
Net book value					
As at December 31, 2021	85,071	636,241	276,627	—	997,939
As at December 31, 2022	85,467	611,957	218,541	—	915,965
As at September 30, 2023	84,556	608,221	192,549	782,492	1,667,818

Platform development capital expenditures relate to development of direct-to-consumer application platform and other products in the current period. The Company will begin to amortize the intangible asset once the platform is ready for use.

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Goodwill

The Company recognized goodwill on the acquisition of Maxamtech. Goodwill as at September 30, 2023 was \$163,194. Due to the complexity associated with the valuation process and short period of time between the acquisition date and the period end, the identification and measurement of the assets acquired and liabilities assumed 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 and related tax effects, no later than one year from the date of the acquisition and will reflect these adjustments retrospectively as required under IFRS 3. Differences between these provisional estimates and the final acquisition accounting may occur and these differences could have impact on the Company's future financial position and results of operations.

Trade and Other Payables

Trade and other payables increased by \$960,923 or 14% as at September 30, 2023, compared to December 31, 2022.

Contingent Consideration

The Company recognized a contingent consideration on the acquisition of Chatterbox that represents the potential of future earn out payments that were negotiated as part of the share purchase agreement.

The contingent consideration as at September 30, 2023:

	\$
Balance – December 31, 2021	2,638,912
Gain on remeasurement of contingent consideration	(1,005,292)
Payment of contingent consideration	(570,311)
Effects of foreign exchange	(69,112)
Balance – December 31, 2022	994,197
Effects of foreign exchange	46,248
Balance - September 30, 2023	1,040,445
Current	1,040,445
Non-current	—

Lease Liabilities

Current portion of lease liabilities decreased by \$19,942 and the non-current portion of lease liabilities increased by \$1,601 over the balance as at December 31, 2022.

Share Capital and Warrants

- a) During the nine months ended September 30, 2023, 5,949,991 restricted share units were redeemed for 5,949,991 common shares.
- b) During the nine months ended September 30, 2023, 20,830 share options were exercised for proceeds of \$2,510. Upon the exercise of the share options, 20,830 common shares were issued.

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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.

	Sep. 30, 2023	Jun. 30, 2023	Mar. 31, 2023	Dec. 31, 2022	Sept. 30, 2022	Jun. 30, 2022	Mar. 31, 2022	Dec. 31, 2021
Total Revenue	7,279,874	7,714,991	7,046,449	7,806,983	7,244,558	6,883,363	5,234,680	5,585,641
Operating Expenses	9,191,587	9,149,774	8,576,963	11,360,863	9,488,279	10,197,215	7,376,078	7,967,062
Net loss attributable to:								
Equity owners of the Company	(1,755,400)	(1,370,909)	(2,040,513)	(4,014,729)	(2,040,513)	(3,068,214)	(2,225,108)	(2,634,586)
Non-controlling interest	(168,965)	(64,839)	(81,204)	387,051	(77,164)	(228,800)	(83,092)	207,376
Net loss per share - basic and diluted	(0.01)	(0.00)	(0.00)	(0.01)	(0.01)	(0.01)	(0.01)	(0.01)

Liquidity and Capital Resources

	As at September 30, 2023	As at December 31, 2022
	\$	\$
Current assets	11,552,326	13,529,217
Current liabilities	9,879,087	7,697,219
Working capital	1,673,239	5,831,998
Total assets	14,975,404	16,070,270
Total liabilities	10,306,191	8,668,015
Total shareholders' equity	4,669,213	7,402,255

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 must generate sufficient revenue from operations to avoid adverse impact to QYOU's ability to pay current liabilities.

As of September 30, 2023, the Company had working capital of \$1,673,239 compared to \$5,831,998 as of December 31, 2022. The decrease in working capital is primarily due to the decrease in trade receivables compared to the period end December 31, 2022.

On September 28, 2023, QYOU USA Inc. finalized the terms of a revolving credit facility with Oxford Commercial Finance Corp. D/B/A FSW Funding and withdrew \$515,000 USD. At any given time, QYOU USA can withdraw up to lessor of \$2,000,000 USD or 85% of the outstanding eligible trade receivables minus reserve payments. All trade receivables of QYOU USA are being used as collateral for the facility.

The Financial Statements have been prepared on the basis of accounting principles applicable 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.

Going Concern Uncertainty

The Company has not yet achieved profitable operations for the period ended September 30, 2023. When the Company can attain profitability and positive cash flows from operations has material uncertainty, which may cast significant doubt upon the Company's ability to continue as a going concern. The Company anticipates it has sufficient cash on hand to service its liabilities and generates sufficient revenue to fund operating costs for the immediate future. The application of the going concern assumption is dependent on the Company's ability to generate future profitable operations or obtain necessary financing. While the Company anticipates a positive cash flow position by the second quarter of the fiscal year 2023 and has been successful in obtaining financing to date, there can be no assurance that it will be able to do so in the future.

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Commitments

As at September 30, 2023, 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.

Significant Accounting Policies and Critical Accounting Estimates

We describe our significant accounting policies and critical accounting estimates in Note 2 and Note 3 of the Company's audited consolidated financial statements for the year ended December 31, 2022.

Financial Instruments and Risk Management

The Company's financial instruments consist of cash and cash equivalents, trade receivables, other receivables, borrowings, contingent consideration 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.

For the period ended September 30, 2023, 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.

Foreign 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 USD and Indian Rupee denominated cash and other payables. A 1% change in the foreign exchange rates would not result in a significant impact to the financial statements. The Company mitigates the risk via currency hedging if deemed required.

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 exposed to cash flow interest rate risk on its revolving credit facility. A 1% change in the interest rates would not result in any significant impact to the financial statements.

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, 2023.

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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 obligations 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 significant customers who wish to trade on credit terms. As at September 30, 2023, two customers represented 26% (December 31, 2022 – 2 customers represented 43%) of the outstanding trade receivable balance. As at September 30, 2023, the Company recorded a provision of \$147,436 for expected credit loss (December 31, 2022 - \$113,740).

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.

The aging of trade receivables is as follows:

	September 30, 2023 \$	December 31, 2022 \$
Current	1,693,117	4,723,268
1 to 30 days	1,713,401	788,017
31 to 60 days	799,006	617,505
> 60 days	712,285	889,082
	4,917,809	7,017,872
Less: credit loss impairment	147,436	113,740
Total trade receivables	4,770,373	6,904,132

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:

	Carrying amount	Total contractual cash flows	Year 1	Year 2	Year 3	Year 4	Year 5 and beyond
	\$	\$	\$	\$	\$	\$	\$
Trade and other payables	7,922,469	7,922,469	7,922,469	—	—	—	—
Lease liabilities	399,768	525,139	293,979	155,490	75,670	—	—
Contingent consideration	1,040,445	1,055,476	1,055,476	—	—	—	—
Revolving credit facility	652,267	694,890	694,890	—	—	—	—
Borrowings	62,440	312,006	11,176	11,176	11,176	11,176	267,302

Geopolitical Risk

During the period ended September 30, 2023, escalation of geopolitical tensions has resulted in uncertainties in all emerging economies including India. The Company mitigates geopolitical risk by monitoring India's economic policy and its implications to the Indian operating business units.

Fair Values

The carrying values of cash, 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

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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.

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 489,108,295 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	43,282,250
Restricted Share Units	7,799,998
Warrants	47,335,561
Compensation Options	1,982,304

Subsequent Events

On October 19, 2023, the Company completed a non-brokered private placement offering and issued a total of 30,000,000 units and 1,695,561 warrants for aggregate gross proceeds of \$2,100,000. Each unit consists of one common share and one warrant of the Company.

In November 2023, 1,050,002 RSUs were redeemed for 1,050,002 common shares. Of the total, 633,334 were redeemed by 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

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Investor Relations

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