Legible Inc.
(Formerly Twenty20 Investment Inc.)

Management's Discussion and Analysis
For the Year Ended December 31, 2021
(Expressed in Canadian dollars)

I. General Information & Cautionary Statements

Introduction

The following management's discussion and analysis ("MD&A") dated May 2nd, 2022, provides information concerning the financial condition and results of operations of Legible Inc.("Legible" or the "Company") for the year ended December 31, 2021. The following MD&A should be read in conjunction with the Company's Audited Financial Statements and accompanying notes for the period ended December 31, 2021, which have been prepared in accordance with International Financial Reporting Standards ("IFRS").

Additional information relating to the Company is available on SEDAR at www.sedar.com and the Company's website at www.legible.com.

Basis of presentation

In this MD&A, unless otherwise indicated, all dollar amounts are expressed in Canadian dollars. The information in this report is current as of April 30, 2022, which is the date of filing. Disclosures contained in this document are current to April 30, 2022, unless otherwise noted.

Except where the context otherwise requires, all references in this MD&A to the "Company", "we", "us", "Company" and "Legible" or similar words and phrases relate to Legible Inc. taken together.

In addition, "this quarter" or "current quarter" refers to the three months ended December 31, 2021. Also, "this year" or "current year" refers to the twelve months ended December 31, 2021.

Forward-looking information

This MD&A contains "forward-looking information" within the meaning of applicable securities laws in Canada. These statements are based on current expectations and estimates about our business and include information regarding our financial position, business strategy, marketing strategies, operations, financial results and objectives. In particular, information regarding our expectations of future results, growth of our operations and performance opportunities in the market in which we operate is forward-looking information.

In some cases, forward-looking information can be identified by the use of forward-looking terminology such as "anticipate", "believe", "expects", or "does not expect", "estimates", "outlook", "prospects", "projections", "intends", "believes", "should", "will", "would" or the negative of these terms, and similar expressions intended to identify forward-looking information. Statements containing forward-looking information are not historical facts but instead represent management's expectations, estimates and projections regarding future events or circumstances. There can be no assurance that such information will prove to be accurate, as actual results and future events could differ materially from those anticipated in such information.

II. Company location & purpose

Our head office is located at 2230 Ontario Street, Vancouver, British Columbia, Canada.

Legible Inc. is a book entertainment and media company with a mission: Millions of Books for Billions of Readers, Globally. Legible has developed two high-value verticals to achieve its mission:

a. a browser-first accessible B2C eBook entertainment platform for the emerging web with high-growth potential called **legible.com** - a global eBook entertainment platform delivering accessible & immersive reading for next-generation readers, and later this year offering Subscription, Audiobooks, more accessibility tools and Multi-media eBooks;
b. and a global B2B eBook conversion and production service with high-revenue potential called **Legible Publishing** - a world-class high-volume digital conversion service for publishers and organizations and a remediation service of eBook content for the accessibility community. Legible Publishing also creates multi-media eBooks for authors and publishers, as well as its own content called Living Books.

Founded and led by a team of technologists, authors, eBook publishers, designers, and publishing industry insiders, Legible is seeking to lead the digital publishing industry and gain market share through innovative, twenty-first century publishing and global reading experiences. With a milestone to provide delightful eBook experiences to readers around the globe through any browser-enabled device, Legible is committed to providing eReading to readers that value immersive entertainment experiences through well-constructed and content dynamic books, provided by a company that promotes sustainability, accessibility, and global literacy.

III. Recent developments

CORPORATION HISTORY

On January 18, 2021 the Company entered into an amalgamation agreement (the "Amalgamation Agreement") with Twenty20 Investments Inc. ("T20") and 1284839 B.C. Ltd ("SubCo") pursuant to which (i) SubCo and Legible amalgamated (ii) in exchange for common shares of Legible, the shareholders of Legible received an equivalent number of common shares of T20, (iii) the warrant holders of Legible received like warrants in T20 and (iv) the stock option holders of Legible received like options in T20 and (v) Legible became a wholly owned subsidiary of T20(the "Transaction").

On November 26th, 2021, Legible Media Inc. completed its reverse takeover transaction of T20 pursuant to which T20 acquired all the issued and outstanding shares of Legible Media Inc. in exchange for the issuance of 4,572,850 T20 shares for each Legible Media Inc. share. T20 did not have any significant operations at the time of the Transaction. Following the closing of the amalgamation, T20 changed its name to Legible Inc. ("Legible" or the "Company"). The Company reconstituted its board of directors and senior management team at that time. The Company's common shares are listed on the Canadian Securities Exchange. ("CSE") under the symbol "READ". The Company commenced trading on Wednesday, December 1st, 2021.

On January 10, 2022 the Company announced that the Company's common shares commenced listing on the Frankfurt Stock Exchange ("FSE") under the trading symbol D0T (D/zero/T).

BUSINESS DEVELOPMENT

Legible Inc. has launched two strategic high-value verticals to the market, in support of its Mission: Millions of Books for Billions of Readers, Globally.

Legible.com is a digital reading and publishing system, which solves the key challenges faced by readers, publishers, and authors. Legible is a browser-first, globally distributed reading and publishing platform seeking to offer a sophisticated and immersive reading experience to anyone with a device anywhere in the world.

> Legible wants to be the book entertainment company for the Web 3.0 by offering delightful, accessible, and immersive reading experiences; by launching a full-service subscription service with our latest titles; and by developing a diverse catalogue of compelling media-rich (video, audio, animation, AR) books - exclusive and original to Legible - and which we believe will create new publishing opportunities in the industry at large.
>
> Legible is a browser-first and completely device-agnostic reading experience. This fact allows us to build a modernized reading and book discovery environment; to synchronize reading between devices and the Legible Wander app which is in development for later this year; and to harness the latest code bases of the modern web browser to render eBooks with greater functionality and beauty.
>
> However, Legible has a valuable opportunity to be a commercial enterprise with philanthropic opportunities by being a values-grounded online eBook platform. We are guided by these core values: Accessibility, Sustainability, and Beauty. Our research indicates this values-grounded

approach opens international commercial market opportunities through literacy and education programs, and provides a literary home for endangered languages and cultures. Our business decision here is that our customers care about why we're building Legible & how it will make the world a better place and many would prefer, in the end, to put their subscriptions and money in a place with a visible positive impact in the world. For Legible this impact is Literacy because our platform is accessible to anyone with internet access, and because we can and do offer tools (such as Dyslexic Font) to support learning readers and the disabled community. We look forward to expanding these tools and opportunities over time and expanding market share with these efforts.

Legible makes money currently through the purchase of books. Readers can currently buy a book on Legible in the US, Canada, the UK, and Ireland. Every purchase nets Legible 30-40% of the sale. The average purchase price is $6.95. A Legible Audiobooks offering is in development.

In development for later this year, is Legible Unbound Subscription. Our subscription offer will provide access to the books in our subscription catalogue, including all the multi-media eBooks developed by Legible Publishing (see below). Legible Unbound will be $9.95 per subscription in monthly recurring revenue for the company. Legible will steadily expand the Unbound subscription service over 2022 and 2023 to include Audiobooks for $19.95, Legible Kids for additional $4.95, and Legible Education for a further $4.95.

Legible released Legible Bookshelves on April 21th, 2022. Bookshelves are branded spaces for publishers, corporations, and authors to have an online book presence. This feature is also available to every user on Legible. However, Legible offers a B2B bespoke commercial service offering curation of bookshelves, discounting, and sponsoring of Bookshelves for forward facing brands, especially those with promotions, in-house reading budgets, and book-award organizations internationally.

Legible.com allows readers to access a large catalogue of eBooks quickly, easily, and affordably. The reading experience on Legible.com is meant to be immersive and will be continually developed and improved. Readers can create, curate, and share their own Legible Library, complete with shareable Legible Bookshelves, and we are building a deeper social experience everywhere in the platform to improve .

Legible Publishing is a global B2B eBook conversion and production service with high-revenue potential. Legible Publishing (LP) can convert thousands of books and entire catalogues to eBooks every month for any publisher (large or small) on the planet. LP can also create multi-media, cross-platform eBooks for major publishers, studios, and high-impact authors. We can also remediate thousands more eBooks every month to accessible content for people with disabilities.

There are over 1M eBooks published each year, adding to a 2022 total of 33M eBooks. LP sees a significant revenue opportunity in the making of these 1M eBooks, but it also sees a timely opportunity in the remediation of eBooks for access by the disabled community. Currently 31M books are in need remediation and there is legal pressure on them to be so. On January 1st, 2025, all 31M of these eBooks will no longer be sold in Europe (and other countries are following this legislation) unless they are remediated for the disabled community. Legible Publishing is prepared to address this demand now.

Legible Publishing will be paid by publishers, publishing organizations (corporations and non-profits), and by authors a) to convert their books and catalogues to digital eBooks; b) to develop dynamic, immersive multimedia content which are hosted on Legible's reading system; and c) remediate current digital books to an accessible eBook for the disable communities world-wide.

On May 1, 2021, Legible transitioned from a closed beta to a public-facing beta, with a new reading engine powered by streaming technology, recommendations, search, and a robust digital rights management system (DRM). The Company began to offer its members access to several thousand book titles, and recognized its first revenue for services offered.

In July 2021, Legible filed multiple trademark applications in process. Legible applied for six trademarks (name, logos, key phrases) in Canada. Currently, the trademarks are pending for approval from Canadian Intellectual Property Office. The following is a summary of the Canadian trademark applications:

Trademark	Application Number	Application Date
LEGIBLE	**2122632**	**July 22, 2021**
BOOKS UNBOUND	**2122633**	**July 22, 2021**
LEGIBLE design	**2122634**	**July 22, 2021**
CIRCLE BOOK design	**2122635**	**July 22, 2021**
AI THE LIBRARIAN	**2122636**	**July 22, 2021**
LEGIBLE WANDER	**2122637**	**July 22, 2021**

Throughout Q2 and Q3 2021, Legible's content and acquisition team worked to secure contracts with publishers to add to the English language catalogue available for purchase on the site as the marketing team worked on branding and partnership opportunities with a bank, a telco, an award agency, high-impact authors, musicians, and influencers, all of which are deemed to be a high MROI value. Legible's development team worked to implement integrations to the platform that allowed substantially larger catalogues from publishers to be ingested via ONIX that was, with each release, increasingly the varieties of Ebook selections and the Ebook search engine efficiency.

In October 2021, after technological and features updates as well as increases to the purchase catalogue, the "beta" label was removed from Legible and basic marketing initiatives and campaigns were kicked off to increase traffic, learn from the data of initial user interactions. We learned a great deal from this period, which has led to further design changes, tweaks in algorithms, new features, and the development of a much deeper marketing campaign strategically tailored for key audiences and for awareness and conversion metrics (sign-ups and sales).

On November 30, 2021 the Company announced that it had received approval from the Canadian Securities Exchange (CSE) for the listing of its Common Shares, to commence trading on the CSE under the ticker symbol "READ" on Wednesday, December 1, 2021.

In December 2021, Legible announced that it is partnering with the global literacy organization Room to Read to assist in both developing and delivering children's eBooks to communities around the world. The Company also announced that it is working with one of the largest digital asset management and distribution platforms in the world, CoreSource®, from Ingram Content Group ("Ingram"). Our contract with Ingram provides access to over a million new titles from hundreds of international publishers to Legible's reading platform, significantly bolstering the depth, breadth, and richness of Legible's eBook catalogue for its readers. Additionally, Legible announced that it has retained Red Cloud Securities Inc. ("Red Cloud") to initiate its market-making service and provide market-making services to Legible in compliance with the policies and guidelines of the Canadian Securities Exchange (CSE), and other applicable regulations.

In January 2022, Legible filed multiple trademark applications in the US (name, logos, key phrases), and expects confirmation of granted trademarks after Q1 2022. The following is a summary of the US trademark applications:

TRADEMARK	APPLICATION NUMBER	APPLICATION DATE
LEGIBLE	97227937	January 19, 2022
BOOKS UNBOUND	97227972	January 19, 2022
LEGIBLE design	97227987	January 19, 2022
CIRCLE BOOK design	97227996	January 19, 2022
AI THE LIBRARIAN	97228011	January 19, 2022
LEGIBLE WANDER	97228025	January 19, 2022

On January 10, 2022 the Company announced that the Company's common shares commenced listing on the Frankfurt Stock Exchange ("FSE") under the trading symbol D0T (D/zero/T).

In February 2022, Legible signed two additional publishers, and continued to add thousands of titles to the platform weekly. Key bug fixes were released to the commercial platform and the reader, as well as pagination performance improvements for the desktop and mobile sites. The Company during this time continued to develop Legible Bookshelves (launched April, 2022) and to further work for it's Legible Unbound Subscription service later this year.

In March 2022, Legible announced the launch of an eBook digital conversion service, branded as Legible Publishing Services. This service is now creating and producing 'born-accessible' - books remediated for access by the disabled community - as well as leading-edge multimedia and immersive eBooks for the global publishing industry. Legible Publishing Services will add an immediate additional source of revenue; fulfill strong demand for comprehensive Web 3.0 eBook conversion solutions; and be a significant growth driver for Legible.com.

The April 2022, Company underwent a significant company-wide staff and cost reduction program in an effort to continue to exercise fiscal responsibility and to better position itself in a rapidly changing economic and financial climate, while advancing its crucial strategic priorities. The main short-term objective is to develop sustainable cash flow while reducing overhead and operating costs. The Company implemented a hardline cost reduction program which included headcount reductions of 50% including certain senior positions, significant reductions in general and administrative overhead and a halting of consulting arrangements. Remaining staff have taken salary and wage reductions. These cost reduction measures have had a significant impact on overall costs and ultimately to increased cash preservation. The Company will require additional monies from a share issuance.

In Q2-Q4, 2022 Legible will launch its user-generated Sponsored Bookshelves (launched April, 2022) which allows every Legible.com reader who has an account to create a customized library of their own directly on the platform. Additionally, the Company is targeting this year to launch its app, Legible Wander, which will allow for offline reading and will continuously synchronize to Legible.com. The Company is currently building the Legible Unbound Subscription, offering unlimited access to the titles in the Legible subscription catalogue for a monthly fee of $9.95. Legible is also preparing to offer Audiobooks, at first for purchase, and later as part of the subscription service. Our audiobooks will be fully integrated into the eBook experience, rather than forcing users to a different website or device for access.

Furthermore, in Q2-Q4, Legible will continue to deepen its publishing services. Legible sees its publishing services as a major revenue source for future periods and a significant opportunity to drive traffic, content, and conversions to the platform itself. We will be beginning a major marketing effort aimed at driving awareness and conversion to the platform in Q2, and then drive conversion to our subscription service when it is released. We have a deeply researched and broad strategic marketing plan, complete with personas, designed assets, timelines, and tie-in data. We have relationships with high-impact authors and influencers which we will leverage for our marketing campaign, and the partnerships the Company has developed will come to fruition and increase our MROI.

OVERALL PERFORMANCE AND OUTLOOK

The following highlight's the Company's overall performance for the year ended December 31, 2021:

- Net loss of $12,911,461 (December 31, 2020: $873,736) for the year ended December 31, 2021.
- Cash balance of $832,668 (December 31, 2020: $145,849) and working capital of $348,055 (December 31, 2020: $63,746)as of December 31, 2021.

III. Selected Annual Information

SUMMARY OF ANNUAL RESULTS

	December 31, 2021 $	Date of incorporation on January 22, 2020 to December 31, 2020 $
Revenue	918	-
Net loss for the year ended	12,911,461	873,736
Basic and diluted loss per share	(0.26)	(0.03)
Cash	832,668	145,849
Total assets	3,533,275	2,078,583
Non-current liabilities	-	15,148

DISCUSSION OF OPERATIONS

<u>Review of Financial Results – Twelve months ending December 31, 2021</u>

The Company realized a net loss of $12,911,461 during the twelve months ending December 31, 2021, compared to a net loss of $873,736 during the period of January 22, 2020 to December 31, 2020.

There has been an increase in all cost categories as Legible expanded the workforce and built out the eBook platform to accommodate the expected increase in our business and sales activities.

The Company recorded the RTO listing expenses of 4,647,728. The fair value of the consideration and listing expenses listed as below:

Purchase Price	$
4,572,850 common shares at $0.815 per share	3,726,873
Total purchase price	3,726,873
Allocation of Purchase Price	
T20 shareholder loan	110,149
Debenture note	150,000
Advance	100,000
Legal fees	12,606
Lawyer trust account balance	(11,192)
Common shares issued on reverse takeover	3,726,873
Excess of consideration over net liabilities acquired	4,088,436
Warrants issued	239,000
Cash payment for transactions (legal fees and finder’s fees)	320,292
Total listing expenses	4,647,728

Legible recorded revenues of $918 in twelve months ending December 31, 2021, as compared to revenue of $nil during the period of January 22, 2020 to December 31, 2020. The customers were made up of Legible's employees and public customers.

Operating expenses totaled $8,185,880 in the twelve months ending December 31, 2021 as compared to $873,736 during the period of January 22, 2020 to December 31, 2020. As the Company expanded during the year 2021, the operations expenditures were increased; this mainly attributable to salaries and wages of $3,330,773 (December 31, 2020: $321,649), professional fees of $400,080 (December 31, 2020: $81,811), contractors of $697,233 (December 31, 2020: $134,520) and investor relations of $388,209 (December 31, 2020: $nil).

Specialized skills and knowledge are effectively the only barriers to entry in the eBook market of technology and publisher relationships. The specialists with the specialized skills and knowledge enable Legible to establish and carry on its operations. As of the end of December 31, 2021, Legible employed 62 employees (December 31, 2020: 17).

The Company recognized $1,328,912 (December 31, 2020: $118,995) in share-based compensation for the stock options vested and issued in the twelve months ending December 31, 2021.Share-based compensation for stock options is an estimate of the value of the stock options we have issued and is calculated using the Black-Scholes option-pricing model which requires the input of highly subjective assumptions, including expected price volatility.

SUMMARY OF QUARTERLY RESULTS

	Q4 2021 $	Q3 2021 $	Q2 2021 $	Q1 2021 $	Q4 2020 $	Q3 2020 $	Q2 2020 $	Q1 2020 $
Net loss of the period	8,755,403	2,089,854	1,373,633	692,571	322,329	310,911	135,100	105,396
Basic and diluted loss per share	(0.17)	(0.04)	(0.03)	(0.02)	(0.01)	(0.01)	0.00	(0.01)

	Q4 2021 $	Q3 2021 $	Q2 2021 $	Q1 2021 $	Q4 2020 $	Q3 2020 $	Q2 2020 $	Q1 2020 $
Cash	832,668	1,768,617	2,050,308	931,707	145,849	14,607	41,056	137,040
Total assets	3,533,275	5,171,988	5,018,324	3,436,489	2,078,583	1,059,811	1,018,005	1,049,338
Total non-current financial liabilities	-	-	-	15,148	15,148	30,496	33,703	35,895

LIQUIDITY AND CAPITAL RESOURCES

	December 31, 2021 $	**December 31, 2020 $**
Cash	**832,668**	**145,849**
Working capital	**348,055**	**63,746**

LONG-TERM DEBT

On February 7, 2020, the Company entered into an agreement with an Escrow agent for the purchase of a domain name. The total cost of the domain name was $49,747 ($37,426 USD) and has been capitalized as an intangible asset as Website. The cost included the domain name for a one-time payment of $11,683 ($8,626 USD) and 36 monthly payments of $800 USD.

In June 2021, the loan was fully repaid (December 31, 2020: $27,371, with $12,223 classified as the current portion).

CASH FLOWS

Analysis of cash flows

	December 31, 2021 **$**	**December 31, 2020** **$**
Cash used in operating activities	(6,353,612)	(719,666)
Cash used in investing activities	(1,263,994)	(923,685)
Cash provided by financing activities	8,304,425	1,789,200
Net increase in cash	**686,819**	**145,849**

OPERATING ACTIVITIES

During the year ended December 31, 2021, the Company used $6,353,612 (December 31, 2020: $719,666) in operating activities. These cash outflows are attributable to the general operations of the Company relating to the Company's net loss as well as the Company's changes in working capital items.

The non-cash adjustments are including the amortization of $364,048 (December 31, 2020: $ 17,545), share-based compensation of $1,328,912 (December 31, 2020: $118,995); the share-based compensation expenses recorded mainly attributable to the stock options granted; RTO related expenditure of non-cash portion of listing expense on reserves take over of $4,327,436 (December 31, 2020: $nil).

INVESTING ACTIVITIES

During the year ended December 31, 2021, the Company used $1,263,944 (December 31, 2020: $923,685) for investing activities. These cash outflows were primarily attributable to the costs incurred to develop the Company's platform and purchase of equipment.

FINANCING ACTIVITIES

During the year ended December 31, 2021, the Company's financing activities provided the Company with $8,304,425 (December 31, 2020: $1,789,200). The Company issued common shares and received $8,733,150 (December 31, 2020: $1,907,100) from these issuances. The Company incurred $401,354 (December 31, 2020: $117,900) in cash costs related to these issuances, which are netted against the funds raised.

In June 2021, the Company paid a total of $27,371 to settle the long-term debt.

OFF-BALANCE SHEET ARRANGEMENTS

As at the date of this MD&A, the Company has not entered into any off-balance sheet arrangements.

TRANSACTIONS WITH RELATED PARTIES

Key management personnel include the Directors, the Chief Executive Officer and the Chief Financial Officer and the Chief Operation Officer who have the authority and responsibility for planning, directing, and controlling the activities of the Company. Included in the Statement of Loss and Comprehensive Loss for the year ended December 31, 2021, & 2020, are the following amounts, which arose due to transactions with related parties:

The Company incurred the following transactions for the period ended, with the directors and officers of the Company (or their controlled companies):

Name	Relationship	Purpose of Transaction	Amount
Adam Zouak	**Chief technical officer**	Salaries and wages	68,894
		Share-based compensation	84,026
Adam Zouak Total			**152,920**
Angela Doll	**Chief operation officer**	Contractors	68,000
		Share-based compensation	63,029
		Salaries and wages	130,514
Angela Doll Total			**261,543**
Cameron Drew	**Chief publishing officer**	Salaries and wages	75,604
		Share-based compensation	27,519
Cameron Drew Total			**103,123**
David Van Seters	**Director**	Directors' fees	36,000
		Share-based compensation	19,105
David Van Seters Total			**55,105**
Gene Kinrachuk	**Director**	Directors' fees	3,000
Gene Kinrachuk Total			**3,000**
Helina Patience	**Director and**	Share-based compensation	164,949
	Chief financial officer	Directors' fees	36,000
		Salaries and wages	197,184
Helina Patience. Total			**398,133**
Kaleeg Hainsworth	**Director and**	Directors' fees	36,000
	Chief executive officer	Share-based compensation	90,412
		Salaries and wages	248,449
Kaleem Hainsworth Total			**374,861**
Mark Holden	**Director**	Contractors	92,000
		Directors' fees	36,000
		Share-based compensation	19,105
Mark Holden Total			**147,105**
Ryan Hoult	**Director**	Directors' fees	3,000
Ryan Hoult Total			**3,000**
Entreflow Consulting Group	**Company controller by**	General and administrative	182,400

	a director and CFO	Professional fees	49,500
Entreflow Consulting Group Total			**231,900**
Bright Wing Media	**Company controller by CEO and CFO**	Development costs	47,490 -
Bright Wing Media Total			**47,490**
Total			**1,778,180**

a). For the year ended December 31, 2021, the Company incurred CEO salaries and wages expense of 248,449 (December 31, 2020: $157,286), $36,000 (December 31, 2020: $nil) in Directors' fees, $90,412 (December 31, 2020: $1,447) in share-based compensation. In addition, the Company paid $23,745 (December 31, 2020: $nil) Development costs to a company owned by the CEO.

b). For the year ended December 31, 2021, the Company incurred CFO salaries and wages expense of $197,184 (December 31, 2020: $nil), $36,000 (December 31, 2020: $nil) in Directors' fees, $164,949 (December 31, 2020: $14,466) share-based compensation. In addition, the Company paid $49,500 (December 31, 2020: $69,750) in professional fees and $182,400 (December 31, 2020: $nil) in general and administrative expenses to a company owned by the CFO. As December 31, 2021, there was a balance of $nil (December 31, 2020: $5,250) in professional fees accrued as payable to a company controlled by the Company's CFO.

c). For the year ended December 31, 2021, the Company incurred COO salaries and wages expense of 130,514 (December 31, 2020: $nil), $63,029 (December 31, 2020: $nil) in share-based compensation and $68,000 (December 31, 2020: $75,000) in contractors. In addition, the Company paid $23,745 (December 31, 2020: $nil) Development costs to a company owned by the COO. As December 31, 2021, there was a balance of $nil (December 31, 2020: $4,000) in professional fees accrued as payable to a company controlled by the Company's COO.

d). For the year ended December 31, 2021, the Company incurred CTO salaries and wages expense of 68,894 (December 31, 2020: nil), $84,026 (December 31, 2020: $nil) in share-based compensation.

e). For the year ended December 31, 2021, the Company incurred CPO salaries and wages expense of 75,604 (December 31, 2020: nil), $27,519 (December 31, 2020: $nil) in share-based compensation.

f). For the year ended December 31, 2021, the Company paid to a director of $92,000 (December 31, 2020: $75,025) in contractor, $36,000 (December 31, 2020: $nil) in Directors' fees, $19,105 (December 31, 2020: $nil) share-based compensation. As at December 31, 2021, there was a balance of $nil (December 31, 2020: $4,200) in marketing fees accrued as payable and $nil (December 31, 2020: $5,000) loan from a Company director.

g). For the year ended December 31, 2021, the Company incurred $36,000 (December 31, 2020: nil) in director fees to a company director.

h). For the year ended December 31, 2021, the Company incurred $3,000 (December 31, 2020: nil) in director fees to another company director.

i). For the year ended December 31, 2021, the Company incurred $3,000 (December 31, 2020: nil) in director fees to another company director.

STOCK OPTIONS

On December 30, 2020, the Company adopted a stock option plan where the Company may grant directors, officers, employees and consultants (“Participants”) options with a maximum term of ten years for up to 20% of the Company’s issued and outstanding common shares at exercise prices to be determined by the market value on the date of grant. The number of common shares subject to an option may not exceed the maximum number permitted by an exchange and no single Participant may be granted options to purchase a number of shares equal to or more than 5% of the issued common shares of the Company in any 12-month period without shareholder approval and requirements being met with regards to the Canadian Security Exchange (“CSE”).

Options shall not be granted to consultants if the exercise of the options would result in the issuance of more than 2% of the issued common shares of the Company in any twelve-month period. Options shall not be granted to persons employed to provide investor relations activities if the exercise of the options would result in the issuance of more than 2% of the issued common shares of the Company in any twelve-month period. Further, any options granted to consultants performing investor relations activities will contain vesting provisions that include vesting periods that occur over at least 12 months where no more than 25% of the options vest in any 3-month period.

On June 29, 2021, the Company granted 1,725,500 options to employees and consultants. The options have an exercised price of $1.00 and a 10-year term. Of the options granted 182,550 vested immediately, 100,000 vest in 20% increments every six months for 2 years from December 2021, 1,192,950 vest in 15% increments every six months for 3 years, and 250,000 options were forfeited prior to vesting.

On July 30, 2021, the Company granted 250,000 options to employees. The options have an exercise price of $1.25 and a 10-year term. Of the options granted 25,000 vested immediately, and 225,000 vest in 15% increments every six months for 3 years.

On August 31, 2021, the Company granted 325,000 options to employees. The options have an exercise price of $1.25 and a 10-year term. Of the options granted, 32,500 vested immediately, and 292,500 vest in 15% increments every six months for 3 years.

On September 30, 2021, the Company granted 800,000 options to employees. The options have an exercise price of $1.25 and 10-year term. Of the options granted 80,000 vested immediately, and 720,000 vest in 15% increments every six months for 3 years.

On October 29, 2021, the Company granted 2,450,000 options to employees and officers. The options have an exercise price of $1.25 and a 10-year term. Of the options granted 285,000 vested immediately, 320,000 vest in 20% increments every six months for 2 years and 1,845,000 vest in 15% increments every six months for 3 years.

On November 30, 2021, the Company granted 350,000 options to employees. The options have an exercise price of $1.25, and 10-year term. Of the options granted 35,000 vested immediately, and 315,000 vest in 15% increments every six months for 3 years.

On December 31, 2021, the Company granted 150,000 options to employees. The options have an exercise price of $0.50, and 10-year term. Of the options granted 15,000 vested immediately, and 135,000 vest in 15% increments every six months for 3 years.

WARRANTS

In March and May 2021, Legible completed a non-brokered private placement for gross proceeds of $2,960,000 at $0.80 per unit by issuing an aggregate of 3,700,000 units at $0.80; each unit consisting of one Class A common share and one-half of one share purchase warrant, with each whole warrant exercisable at $1.00 per share expiring 12 months following the date Legible's share are first listed for trading on a stock exchange in North America; provided that if the closing price of the Common Shares on the Canadian Securities Exchange is greater than $1.80 per share for a period of 10 consecutive trading days, the expiry date of the Warrants may be accelerated by Legible to a date that is not less than 30 days after the date that notice of such acceleration is provided to the Warrant holders, which notice may be by way of general press release. In connection with the private placement, the Company paid finder's fees of $146,400 in cash and issued 183,000 non-transferable Finder's Warrants ("Finder's Warrants").Each Finder's Warrant entitles the holder to purchase one common share at a price of $0.80 for a period of one year from closing.

In June and August 2021, Legible completed a non-brokered private placement for gross proceeds of $3,952,150 at $1.00 per unit by issuing an aggregate of 3,952,150 units; each unit consisting of one Class A common share and one-half of one share purchase warrant, with each whole warrant exercisable at $1.25 per share expiring on the date that is the earlier of: (i) one year following the date the Common Shares (or the shares of a successor entity) are listed on the Canadian Securities Exchange; and (ii) December 31, 2022; provided that if the closing price of the Common Shares (or the shares of a successor entity) on the Canadian Securities Exchange is at least $2.25 per share for a period of 10 consecutive trading days (whether or not trading occurs on all such days), the expiry date of the Warrants may be accelerated by Legible to a date that is not less than 30 days after the date that notice of such acceleration is provided to the Warrant holders, which notice may be by way of general press release. In connection with the private placement, the Company paid the legal counsel $11,495, finder fees of $174,000 in cash and issued 174,000 non-transferable Finder's Warrants ("Finder's Warrants").Each Finder's Warrant entitling the holder to purchase one common share at a price of $1.00 for a period of one year from closing.

In November 2021, Legible completed a non-brokered private placement for gross proceeds of $1,200,000 at $1.00 per unit by issuing an aggregate of 1,200,000 units, with each unit consisting of one Class A common share and one-half of one share purchase warrant, and each whole warrant exercisable at $1.25 per share expiring on the date that is the earlier of: (i) one year following the date the Common Shares (or the shares of a successor entity) are listed on the Canadian Securities Exchange; and (ii) December 31, 2022; provided that if the closing price of the Common Shares (or the shares of a successor entity) on the Canadian Securities Exchange is at least $2.25 per share for a period of 10 consecutive trading days (whether or not trading occurs on all such days), the expiry date of the Warrants may be accelerated by Legible to a date that is not less than 30 days after the date that notice of such acceleration is provided to the Warrant holders, which notice may be by way of general press release. In connection with the private placement, the Company paid finder fees of $28,400 in cash and issued 28,400 non-transferable Finder's Warrants ("Finder's Warrants").Each Finder's

Warrant entitling the holder to purchase one common share at a price of $1.00 for a period of one year from closing.

In November 2021 certain holders of warrants to purchase Class A common shares of Legible, exercised such warrants, resulting in the issuance of 6,100,000 Class A common shares and aggregate proceeds to Legible of $610,000.

In December 2021 certain holders of warrants to purchase Class A common shares of Legible, exercised such warrants, resulting in the issuance of 148,000 Class A common shares and aggregate proceeds to Legible of $24,800.

FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The risk exposure arising from these financial instruments is summarized as follows:

(a) Credit risk - The Company's financial asset are cash, amounts receivable and loan receivable. The maximum exposure to credit risk, as at period end, is the carrying value of their financial assets. The Company holds its cash in a bank account with a highly rated Canadian financial institution, therefore minimizing the Company's credit risk in respect to its cash.
(b) Liquidity risk - The Corporation's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when due. The Company monitors its forecasted and actual cash flows as well as any anticipated investing and financing activities. The Corporation has sufficient funds as of December 31, 2021 for the period from the date of incorporation on January 22, 2020 to December 31, 2020 to cover its liabilities. The Company does not have recurring revenue, the Company continually seeks sufficient capital to meet short term financial obligations after taking into account its operating obligations and cash on hand.
(c) Market risk - Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the Company's income or value of its holdings or financial instruments. The Company's major activities have been transacted in Canadian dollars since incorporation and until December 31, 2021; in addition, the Corporation carries no interest-bearing debt. As such, the Company has minimal market risks.

CAPITAL MANAGEMENT

The Company's objectives when managing capital are to: a) maintain its ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and b) ensure that it has sufficient cash resources to continue developing its intellectual property. The Company includes equity, comprised of share capital and deficit, in the definition of capital.

The Company's primary objective concerning its capital management is to ensure that it has sufficient cash resources to continue the development of its intellectual property.

SUBSEQUENT EVENTS

In January 2022 certain holders of warrants to purchase Class A common shares of the Company, exercised such warrants, resulting in the issuance of 1,080,000 Class A common shares and aggregate proceeds to Legible of $216,000.

On January 31, 2022, the Company granted 850,000 options to employees. The options have an exercise price of $0.475, and a 10-year term. Of the options granted 85,000 vested immediately, while a further 765,000 vest in 15% increments every six months for 3 years.

In February 2022 certain holders of warrants to purchase Class A common shares of the Company, exercised such warrants, resulting in the issuance of 150,000 Class A common shares and aggregate proceeds to Legible of $25,000.

On February 28, 2022, the Company granted 2,153,750 options to employees, consultants, Directors and Officers. The options have an exercise price of $0.40, and a 10-year term. Of the options granted, 245,375 vested immediately; a further 1,668,375 vest in 15% increments every six months for 3 years, and 240,000 vest in 20% increments every six months for a total of 2 years.

In February 2022, the Company received loans in a total of $150,000 with interest at 1% if paid by March 31, 2022, and 10% per annum after.

On March 31, 2022, the Company granted 200,000 options to employees. The options have an exercise price of $0.27, and a 10-year term. Of the options granted, 20,000 vested immediately, while a further 180,000 vest in 15% increments every six months for a total of 3 years.

In March 2022, the Company received loans in a total of $100,000 with a Fee of 15% of principal, no interest until March 31, 2022, and 10% per annum after.

In March 2022, the Company received a loan for a total of $200,000, with a commitment fee (“Fee”) of 15% of principal, no interest until March 31, 2022, and 10% per annum after.

In March 2022, the Company received a loan for a total of $62,003 ($50,000 USD), with a commitment fee (“Fee”) of 15% of principal, no interest until May 31, 2022, and 10% per annum after.

In March 2022, the Company entered into a credit facility agreement for the maximum principal of $308,000, for a term of 12 months with a monthly interest rate of 1.5% per month compounded monthly.

In April 2022, as the result of reducing the number of employees in the Company, a total of 5,046,625 of stock options were forfeited.

IV. Other information

Outstanding share data

We have authorized capital of an unlimited number of Class A and Class B common shares and Preferred Shares without par value. We have the following capital structure as at the date of this MD&A and December 31, 2021.

	May 2, 2022	**December 31, 2021**
Common shares issued Class A	64,178,000	62,948,000
Share purchase options ($0.40 - $1.25)	5,912,625	7,755,500
Warrants ($0.10 - $1.25)	10,645,976	11,875,976
Fully diluted total	80,736,601	70,703,500

RISK FACTORS

A. Capitalization, commercial viability and the proposed transaction

While the Company has a cash balance of $832,668 (December 31, 2020: $145,849) as of December 31, 2021, the Company will require additional capital to continue to develop its platform, obtain content licensing and bring its platform to the market. Should the further financing not be completed there is a risk that the Company will not have the capital required to expand the business and further develop the platform and obtain content. If the Company does not obtain additional capital for investment, then there is a presumed risk to the commercial viability of its platform. Further, if further financing is not completed the Company may be required to raise additional capital from existing sources through private placements.

B. Additional financing

The Company will require additional equity and/debt financing to execute the Company's growth strategy. There can be no assurance that additional financing will be available to the Company when needed or on terms that are commercially acceptable to the Company. The Company's growth may be limited if it is unable to raise financing in order to support ongoing operations and therefore will have an adverse impact on the financial results of the Company.

Should the capital obtained upon completion of future financing be sufficient to fund the Company's current operations, there is no guarantee that the Company will be able to achieve its business objectives. There is no assurance that the capital used to invest in the Company's personnel, systems, procedures, and controls will ensure the Company's objectives. The Company may require additional financing beyond that acquired in the Transaction and if so, there is no assurance that the financing obtained will be on terms that are favourable to the Company.

C. Growth strategy execution

The execution of the Company's growth strategy has significant dependence on managerial, financial, and human resources. The Company's ability to grow depends on a number of factors, including the availability of capital, existing and emerging competition and the ability to recruit and train additional qualified personnel. Moreover, as the Company's business grows, the Company will need to devote additional resources to improving its operational infrastructure and continuing to enhance its scalability to maintain its business performance.

D. Uncertainty and adverse changes in consumer reading habits

The success of the Company is contingent on its consumer base perceiving more value in the Company's platform compared with existing eBook platforms and physical books. While the eBook market and its sales compared with physical books continue to increase, should consumer reading habits shift away from eBooks, demand for the Company's platform may decrease.

E. Ability to attract new customers, retain existing customers and grow customer revenues

To achieve profitability and increase revenues, the Company must regularly obtain new customers or increase the scope of services provided to existing customers. There are a variety of factors that may impede these efforts including ineffective marketing campaigns, lack of content to market to new and existing customers, lack of perceived value of the Company's platform by potential customers or the Company being unable to attract and retain sales and marketing personnel.

F. Increased competition

As market demand for eBooks grows, publishers and existing eBook platforms will seek ways to increase market share and provide their customers with sought-after digital media content. As such, existing companies and new entrants will continue to create and refine technology to provide this content. The increase in market entrants may decrease the market share for the Company, which may have an adverse impact on the Company's operations. The creation or refinement of digital technology that consumers view as more cost efficient or superior to the Company's platform will also impact the Company adversely.

G. Cyber Risk and Data Protection

As an online platform, there is risk of cyber-attacks, technology issues, and changes to global legislation for data management. To mitigate cyber risks, the Company has engaged, and will continue to regularly engage with, third-party security partners to conduct penetration and other testing and auditing of our platform, taking action upon the recommendations provided. In preparation for expansion outside of North America, the Company has also engaged third-party services to audit General Data Protection Regulation ("GDPR") and other data protection mechanisms to ensure compliance and provide recommendations for improvements.

H. Limited History of Operations

The Company is in an early stage of development, has a limited history of operations, and operates in a new and rapidly-evolving market. As such, the Company is subject to many risks common to start-up enterprises and its viability must be viewed against the background of such risks. Such risks include under-capitalization, cash shortages, limitations with respect to personnel, and lack of revenues and financial and other resources. There is no assurance that the Company will develop its business profitably, and the likelihood of success of the Company must be considered in light of the Company's early stage of operations.

I. Changing Technology

The Company's ability to attract new users of its software and increase revenue from existing users depends in large part on its ability to enhance and improve its products, introduce new features and services in a timely manner, sell into new markets, and further penetrate its existing markets. If the Company is unable to do so, its revenue will not grow as expected. Moreover, the Company is required to enhance and update its products and services as a result of changing standards and technological developments, which makes it difficult to recover the cost of development and forces the Company to continually qualify new features with its users.

J. Defects, Bugs, or Errors

The Company has quality controls in place to detect defects, bugs, or other errors in its products and services before they are released, however, these quality controls are subject to human error, overriding, and resource or technical constraints. Furthermore, the effectiveness of its quality controls and preventative measures may be negatively affected by the distribution of the Company's workforce resulting from the COVID-19 pandemic. As such, these quality controls and preventative measures may not be effective in detecting all defects, bugs, or errors in its products and services before they are released into the marketplace. The release of products or services with significant defects, bugs, or errors could damage the Company's reputation, brand, and sales.

K. COVID-19 Pandemic

The Company's business, operations, and financial condition could be materially adversely affected by public health crises, including epidemics, pandemics, and/or other health crises, such as the COVID-19 pandemic. Public health crises, such as the COVID-19 pandemic, may result in operating, supply chain, and project development delays that could materially adversely affect the operations of the Company.

The risks to the Company's business associated with COVID-19 include, without limitation, risks related to employee health, workforce productivity, increased insurance premiums, the availability of industry experts and personnel, and other factors that will depend on future developments beyond the Company's control, which may have a material and adverse effect on the Company's business, financial condition and results of operations. In addition, the Company may experience business interruptions as a result of suspended or reduced operations, relating to the COVID-19 pandemic or such other events that are beyond the control of the Company, which could, in turn, have a material adverse impact on the Company's business, operating results, and financial condition.

L. Reliance on Key Personnel

Given the complex nature of the technology on which the Company's business is based and the speed with which such technology advances, the Company's future success is dependent, in large part, upon its ability to attract and retain highly qualified managerial, technical, and sales personnel. Competition for talented personnel is intense, and no assurance can be given that the Company will retain its managerial, technical, and sales personnel or that it can attract, assimilate, or retain such personnel in the future. As the Company's business grows, it will require additional key financial, administrative, marketing, and public relations personnel as well as additional staff on the operations side. Although the Company believes that it will be successful in attracting and retaining qualified personnel, there can be no assurance of such success.

M. Inability to Protect Technology

There can be no assurance that the steps taken by the Company to protect its technology will be adequate to prevent misappropriation or independent third-party development of the Company's technology. It is possible that other companies can duplicate an eBook platform similar to that of the Company.

N. Potential Intellectual Property Claims

The Company may be subject to intellectual property rights claims in the future and its technologies may not be able to withstand any third-party claims or rights against their use. Any intellectual property claims, with or without merit, could be time-consuming, expensive to litigate or settle, and could divert management resources and attention. An adverse determination also could prevent the Company from offering its products and services to others and may require that it procure substitute products or services for these members or obtain additional licenses. The Company may also be required to develop alternative non-infringing technology, which could require significant effort and expense. If the Company cannot license or develop technology for the infringing aspects of its business, it may be forced to limit its product and service offerings and may be unable to compete effectively.

O. Market trends and global political issues

Changing broader financial conditions including the market's expectations for continued rising interest rates fueled by the continued rise in inflation, along with the Russian invasion of Ukraine on February 24, 2022, has continued to drive a rotation by investors into value versus growth-oriented equities. The best performing sectors in Canada in Q1 2022 were energy and materials, and the worst performing sector was information technology. commodities, metals and not applicable. Under the current uncertain and fast-changing macroeconomic, financial, and geopolitical environment, investor sentiment and appetite for technology companies, especially those not yet reporting free cash flows such as Legible, have been negatively impacted as reflected in their lower market valuation, resulting in a more difficult capital raising environment and a higher cost of capital.

Additional Information

Additional information relating to the Company is available on SEDAR at www.sedar.com

Corporate Information

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