

POKO Innovations Inc

(Formerly Brunswick Resources Inc. (BRU.H))

Management's Discussion and Analysis

Poko Innovations Discussion and analysis as at December 31, 2021

INTRODUCTION

Poko Innovations Inc. “**POKO**” closed the private placement and commenced trading on the CSE August 19th 2021. The following Management's Discussion and Analysis ("MD&A") comments on the consolidated financial condition and results of operations of Poko Innovations Inc. for the three month period ended December 31, 2021.

This will help the reader to assess material changes in our financial position and operating results for the interim period ended December 31, 2021. Poko Innovations Inc. ("the Company" or “Poko”) was incorporated on August 10, 2021. This MD&A complies with Rule 51-102A of the Canadian Securities Administrators on continuous disclosure management's point of view on the Company's ongoing activities as well as an outlook of the activities planned for the coming months and also elaborates on its financial results and risks that may impact the activities of the Company.

The effective date of this MD&A is December 31st 2021, and approved by the Board of Directors on January 16th, 2022, should be read in conjunction with the condensed interim consolidated unaudited financial statements of Poko Innovations Inc. for the interim period ended December 31, 2021 and audited financial statements of Poko Group Ltd for the period ended 30th June 2021 together with the accompanying notes that form part of the statements.

The Company's condensed interim consolidated financial statements for the year period ended December 31, 2021 have been prepared in accordance with International Financial Reporting Standards (“IFRS”).

All amounts are expressed in Canadian dollars unless otherwise stated. References to notes are with reference to the condensed interim consolidated financial statements.

Unless the context otherwise required, all references to "Poko" , "Company", "our", "us", "we" refers to Poko Innovations Inc. as consolidated with its subsidiaries. Further information about the Company, its properties, projects, annual and quarterly reports are available for consultation on the website of SEDAR at the following address: www.sedar.com.

CAUTION REGARDING FORWARD-LOOKING STATEMENTS

Certain of the information contained in this document may contain “forward-looking statements”. Forward-looking statements may include, among others, statements regarding the Company’s future plans, costs, objectives or economic performance, or the assumptions underlying any of the foregoing. In this document, words such as “may”, “would”, “could”, “will”, “likely”, “believe”, “expect”, “anticipate”, “intend”, “plan”, “estimate” and similar words and the negative form thereof are used to identify forward-looking statements. Forward-looking statements should not be read as guarantees of future performance or results, and will not necessarily be accurate indications of whether such future performance will be achieved. Forward-looking statements are based on information available at the time and/or management’s good faith belief with respect to future events and are subject to known or unknown risks, uncertainties and other unpredictable factors, many of which are beyond the Company’s control. These risks and uncertainties include, but are not limited to, those described under the headings in this MD&A and could cause actual events or results to differ materially from those projected in any forward-looking statements.

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The Company does not intend, nor does it undertake any obligation, to update or revise any forward-looking statements contained in this MD&A to reflect subsequent information, events or circumstances or otherwise, except if required by applicable law.

BUSINESS OVERVIEW

Company Description & overview

Poko Innovations Inc. has been focused on planning and implementing the marketing strategies for its B2C brands with a focus on being listed by large UK distribution networks & expanding distribution and sales in 2022 to scale the revenues. Poko Innovations, Inc. is an award-winning international UK based integrated company with a robust portfolio of CBD brands, a financial services platform, LumiPay, a range of consumer brands and a roster of marketing and media sites.

The business is broken into independent units that work together to leverage their strengths:

Poko comprises of four segments:

- Consumer Brands:
Poko is the group's flagship award winning skincare brand, www.pokocbd.co.uk
Candid brings fun, affordable and easy to use CBD products to the markets www.canndid.co.uk
- Fintech Platform:
Lumipay is an easily-integrated payment platform gateway service www.lumi-pay.com
- News and Media Sites:
The Extract is a B2B news and media sites www.theextract.co.uk
Candid Magazine, a B2C culture magazine www.candidmagazine.com
- White labelling Service:
Cannmed Products brings together several vetted, compliant CBD manufacturing companies www.cannmedproducts.com

Poko also has several related business activities under development and expects to launch them in 2022.

Strategic Report

In response to the uncertainty around the easing of Covid restriction, which has seen the opening and closing of the UK and EU markets across 2021 in response to different variants, the company has made the decision to focus its resources on its consumer brands. This focus is on signing agreements with large distribution channels in the UK, Ireland and Germany. Management believes Influencer marketing will be key to success in this area, with brand awareness being a key factor, the company signed a high profile ambassador partnership to back the brands and become stakeholders in Poko, Rob Kearney & his wife Jess Redden.

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The company has invested large amounts of resources into the consumer brands, R&D, certification, trademarks, branding and digital assets. Post Covid restrictions, the company has been working to re-launch both its B2C branded products Poko Skincare and Canndid, it's CBD lifestyle brand, into the UK, German and Irish markets. The company believes we have the necessary assets to become a leading consumer brand in the UK & European markets.

During the quarter ending December 30th 2021 The company entered into and agreements or began negotiations with certain key suppliers and manufacturers to further reduce our cost base, resulting in greater margins for Poko consumer products and the flexibility to negotiate on price with the distribution hubs in the UK.

If the company completes the distribution deals, currently in progress, management believes the consumer brands will secure strong revenue streams due to the anticipated high LTV of the customers, the company will then move to focus its resources on its fintech and marketplace platforms in 2022.

Growth Strategy

The company is still focused on it's continued plans to develop the business by increasing its brand awareness through influencer marketing, advertising and trade events, increasing the distribution channels, and strengthening its relationship with existing customers. Key growth strategies include:

- Acquisition or Joint Ventures with production facilities to reduce product costs.
- Lower costs allowing attractive and profitable agreements with distribution networks.
- Increased brand visibility through partnerships with high profile influencers and stockists.
- Increasing market penetration in the UK & EU.
- Expansion in the continuing education of CBD to marketplace.

The company has industry events booked and planned for through to April 2022 throughout the UK to promote the whitelabel and B2C brands owned by Poko.

Novel Foods Licence - RP296

Poko edible products have applied for novel foods sub-licence under RP296. The manufacturer licence application was accepted and is moving through the initial stages of inspection. This means Poko can continue to sell and supply into the UK market while waiting for approval. Novel foods listing is a requirement on suppliers from April 1st 2021, it is expected Novel Foods legislation will see a large reduction in the number of approved suppliers to the market in 2022.

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INDUSTRY TREND

Brightfield reports that Covid put substantial downward pressure on CBD sales due to retail closures and budgetary priorities. It also outlined that Novel Foods would provide a viable pathway for companies to enter the supplements markets; it predicts 2021-2022 will see a greater consolidation and clearer picture of long term players.

There was a 26% growth in sales in the latest Brightfield report between 2018 and 2019 with Germany and the UK the largest European sales by country in 2019. Sales were driven predominately by mainstream channels including retail and pharmacy stores. It also states that Germany and the UK are expected to see the highest growth through to 2025 with cosmetics highlighted as a key growth area due to the exclusion from Novel Foods licencing.

Novel foods licencing came into force in March 2021 in the UK and is in the process of being enforced in the EU. Poko has its Novel Food Application under RP296 which has passed the initial stages of inspection. It is reported that over 70% of Novel Foods applications have been rejected by the UK in the initial inspection period.

The 2021 Midyear US CBD report from Brightfield reports CBD sales are rebounding after an initial setback from Covid restrictions. GW Pharmaceuticals Epidiolex more than doubled from Q4 2019 to Q4 2020. The pharma CBD market is expected to grow to 4 times its current size by 2026.

Source: Brightfield Report - [a\) European CBD April 2020](#) Brightfield Report [b\) 2021 Midyear CBD Report](#)

- a) https://global-uploads.webflow.com/596691afde3c5856d866ae50/5eac5953f43e86593dd9e49b_5ea21e36b6a15e511e5caae6_Europe%20CBD%20Report_VF423.pdf
- b) https://global-uploads.webflow.com/596691afde3c5856d866ae50/60a435c1c6ae658ec90d0db3_Q221_US%20CBD_Mid-Year_Report-FINAL.pdf

BOARD OF DIRECTOR

: There has been no changes since Sept 30, 2020 MD&A

- David Hughes, President, CEO and Director
- Michael Porter, Chairman
- Justine O'Hanlon, Secretary and COO
- Simon Painter, Director
- Tim Henley, Director
- Alex Leigh, Director

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OVERALL PERFORMANCE

For the interim period ended December 31, 2021 the Company has been focused on introducing its consumer brands to new retail channels, it has been listed by online and bricks and mortar chains and generated \$112,183 of revenues compared to \$72,072 of revenues the previous quarter which is due from commission payments for LumiPay its financial services division and its CBD products, the company will continue to build its distribution network with the resources raised by the private placement. The LTV of each store will help Poko revenues grow in a sustainable manner.

Due to the uncertainty around new Covid variants, the company has still faced difficulty in expanding into retail outlets and pharmacies, with many buyers not taking on new brands and non-essential products at this time. However, with buyers beginning to open their calendars and scheduling meetings, the company is confident that these outlets will be open to stocking new brands and products from January 2022. With most restrictions being lifted from January 2022 in the UK & Ireland, Poko is confident all scheduled trade shows and industry events will go ahead.

In December 2021 Poko signed a deal with its first large distribution network in the UK, Blazed Wholesale and is in ongoing discussions with a number of large distribution networks across the UK & Ireland. The aim is to increase the availability of Poko B2C products into the markets. With products currently in the listing process with Blazed Wholesale, Poko will launch across its network in March 2022.

The company continues to benefit indirectly from EU Covid government support throughout this time, which is expected to continue to March 2022. This allows the company the time to build out the sales team and distribution networks with minimal effect on cash raised.

The main expense of the finished consumer products Canndid is the payments made to suppliers for the products and raw material costs. The company is in ongoing discussions to negotiate joint ventures with the production partners to reduce product costs per unit and make the manufacturing plants more vested in the company.

Since the Company's business and personnel changed with the Company becoming public, new costs were incurred. Those new costs included share based payments that were incurred for the issuance of options to board members, consultants and employees of the Company. In addition to this, all the fees related to regulatory authorities are part of those new costs. Finally, in order to respect all the regulations of the public market, the Company had engaged higher professional fees than the ones at the same period in 2020.

SELECTED FINANCIAL INFORMATION

The company has financial resources has been used on increasing stock to meet anticipated demand as well as sales and marketing. This is in line with expectations, management is focused on the promotion of its brands across multiple distribution channels.

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Cash on hand remains strong and the \$599,112 as at September 30th has reduced to \$376,290 as we invested in stock and increased stock to \$135,413 as we plan for larger revenues.

POKO INNOVATIONS INC.
(Formerly BRUNSWICK RESOURCES INC.)
CONDENSED CONSOLIDATED INTERIM STATEMENT OF FINANCIAL POSITION
AS AT DECEMBER 31ST 2021
(Unaudited and not reviewed by the Company's auditors)

	Note	At December 31 st 2021 CAD\$ (Unaudited)	At June 30 th 2021 CAD\$ (Audited)
ASSETS			
CURRENT ASSETS			
Cash		376,290	-
Stock	7	135,413	-
Trade and other receivables	8	227,508	8,750
		<u>739,211</u>	<u>8,750</u>
NON CURRENT ASSETS			
Other intangible assets	6	<u>2,377,414</u>	<u>2,505,922</u>
TOTAL ASSETS		<u>3,116,625</u>	<u>2,514,672</u>
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	9	<u>225,822</u>	<u>8,748</u>
Total Liabilities		<u>225,822</u>	<u>8,748</u>

Share based payments, management secured the services of 2 high level influencers and were compensated on 80% stock and 20% cash to ensure their and poko objectives for a successful product launch and shareholder value were aligned, this is included here along with payment to an unrelated IR firm for work.

POKO GROUP LIMITED
(Formerly BRUNSWICK RESOURCES INC.)
CONDENSED CONSOLIDATED INTERIM STATEMENT OF CASH FLOWS
FOR THE SIX-MONTH PERIOD ENDED DECEMBER 31st 2021
(Unaudited and not reviewed by the Company's auditors)

	December	June 30
	31	2021
	2021	2021
	CAD\$	CAD\$
Operating Activities		
Net (loss) and comprehensive loss	(5,187,270)	-
Non-cash items		
Amortisation of intangible asset	128,508	-
Cost of public listing	4,375,270	-
share-based payments	396,000	-

The influencer portion of the payment is for work with Poko throughout 2022 to November 2022.

Revenues

The company is in the process of building revenue and onboarding to distributors in the UK and expects Revenues remain low until this is fully implemented. As the company scales the operation to large scale distributors revenues are expected to spike in line with the size of the distribution chains. Revenue for the 3 months has increased 56% from 72,072 to 112,183.

Costs

The current operations of the Company do not require a complex administrative structure and it currently has no employees. The Company's principal subcontractor is responsible for the marketing, sales and general running of the company and the company has a contract in place for cost plus 10%. Some costs have been subsidized by government grants during the Covid restrictions.

Business Product Awards

Following on from Poko's previous awards, having won Silver for Best Eye Cream Treatment and won Best Natural Product for it's Correcting Eye Cream at the Beauty Bible in April. Poko has won a Your Healthy

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Living 2022 Award for Best CBD Product for its Luxury Facial Oil in December 2021, with voting based on public opinion and opened through the months of July-September. Your Healthy Living is an independent Health & Wellness Magazine, distributed to health and food stores across the UK.

On November 16th 2021, Poko was shortlisted in the Super Serum category for its Soothing Serum in the Beauty Awards with ASOS. ASOS is one of the largest online fashion and beauty marketplaces in the UK, selling globally. Each year The Beauty Magazine and ASOS come together to host these awards, bringing together a high profile judging panel of beauty editors, influencers and professionals to shortlist the products. Once shortlisted products then have a 4 week window to gather popular votes on the ASOS platform.

The Beauty Awards with ASOS will host a star studded event in the UK on February 22, 2022 to announce the winners. The event will give the company a chance to network with beauty buyers across the UK and allows Poko to be submitted to 500 goodie bags given to key players in the UK beauty industry.

The Extract

The Extract has also been a primary media partner for The World CBD Awards, which will be in Barcelona in July 2022. Utilising our media connections we have secured a complimentary prime exhibiting location for our B2C brands, Canndid & Poko, at the event and have been given a brand sponsorship position for Poko Group. The expo & award show will provide us an opportunity to network with 500+ attendees from all around the globe over the three day event.

In addition to this the e-zine has partnered with the CBD Show London, which includes a trade only day on April 22 2022, which is dedicated to industry and trade professionals only. Putting brands in front of buyers from luxury & major retailers, global e-tailers, national and European wholesalers, distributors, pharmacy stores and e-commerce owners. The Extract has also used it's connection to the event to secure a complimentary stand for Poko & Canndid to attend.

Subsequent Events

- a) Poko attended it's first event post-COVID as Cannmed White Labelling, The White Label Expo in Frankfurt 12th-13th October. This is an industry event that is focused on position exhibitors in front of buyers and distribution networks. Leading from this we are in discussions to expand Poko & Canndid B2C brands to the German market through a distribution network with 40 boutique wellness stores.
- b) Poko begins work with influencers and partners Rob Kearney & Jess Redden, preparing marketing materials and content throughout January and February. The full campaign is due to launch mid March, helping Poko to gain more visibility on the Irish market.
- c) Poko has also received 4 nominations at the OTC Pharmacy Awards. The OTC group strives to recognise trailblazers and pharmaceutical industry leaders, who formulate outstanding products. With four products nominated across four different categories.
- d) LumiPay has begun a focused approach on high risk and high value clients in the gaming industry

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and has made progress with banks so that we can handle high net worth businesses across Australia, New Zealand, Japan, North America and Canada as well as the UK and Europe. This will continue to be LumiPay's focus throughout Q1 & Q2 of 2022.

Share Options

The Company has issued incentive options to certain directors, officers, and consultants of the Company. It has also issued share options to who we consider to be key distributors and manufacturers in the UK that we wish to align with.

As of the date of this report, the following share options were outstanding.

	As at December 31st 2022	Exercise Price
Share Options issued	3,600,000	11c
Share Options issued	3,555,000	15c

Going Concern

The interim financial statements have been prepared on a going concern basis in accordance with International Financial Reporting Standards ("IFRS"). The going concern basis of presentation assumes the Company will continue to operate for the foreseeable future and will be able to realize its assets and discharge its liabilities in the normal course of business.

In assessing whether the going concern assumption is appropriate, Management takes into account all available information about the future, which is at least, but not limited to, twelve months from the end of the reporting period. This assessment is based upon planned actions that may or may not occur for a number of reasons including the Company's own resources and external market conditions.

The Company's ability to continue as a going concern, realize its assets and discharge its liabilities in the normal course of business, meet its corporate administrative expenses and continue to advance its position as an ecosystem will be through various means including but not limited to equity financing.

The financial statements do not reflect adjustments that would be necessary if the going concern assumption was not appropriate. If the going concern basis was not appropriate for the financial statements, then adjustments would be necessary to the carrying amounts of assets and liabilities, and the classifications used in the statements of financial position.

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LIQUIDITY AND CAPITAL RESOURCES

The Company's liquidity depends on existing cash reserves, supplemented as necessary by equity and/or equity financings. The company has started to onboard the product range into retail chains in Europe and online platforms. The company is looking to increase the percentage of liquidity through revenue in the coming quarters.

COMMITMENTS AND CONTINGENCIES

As of the date of this MD&A, the Company has the below commitments or contingencies.

- ASOS awards which will be held 22 Feb 2022. We must provide 250 of our Soothing Serum products to be included in the celeb goodie bags. Approx. value \$3,000
- April 22nd-23rd 2022, The CBD Show London, Cannmed and Canndid to attend. \$4252.15
- November 6th-7th 2022, Professional Beauty HJ Ireland Show in Citywest, Dublin, Poko Skincare to attend - \$6,645.66
- March 2nd-3rd March 2022, White Label Expo London, Cannmed to attend. \$10,000
- 1,000 of each Poko Product ordered with Cosmiko for delivery Nov - Jan 2022 in phases

OFF-BALANCE SHEET ARRANGEMENTS

The Company does not have any off-balance sheet arrangements.

RELATED PARTY TRANSACTIONS

Transactions with key management personnel

Related parties include the Board of Directors and key management personnel, as well as close family members and enterprises that are controlled by these individuals as well as certain persons performing similar functions. Unless otherwise stated, none of these transactions incorporated special terms and conditions and no guarantees were given or received.

ORH Marketing & Cannmed Products Ltd (David Hughes is the ultimate controlling partner and beneficial owner or both) - The company pays to ORH Marketing for staff working on Poko plus expenses. The agreement is based on a cost plus 10% or to the value of sales whichever is the lesser. This has helped Poko to keep costs manageable during the restrictions of Covid. ORH is in receipt of government Covid support.

During the period, the company made purchases from Cannmed Products Limited Group totaling CAD\$134,490. Amounts due to the Cannmed Products Limited Group at September 30th 2021 was CAD\$134,490.

RISK MANAGEMENT

The main risks and uncertainties relating to the company's business are exchange risk and credit risk. Each of these is considered below:

Exchange Risk:

The Company operates internationally and holds the currencies in GBP, Canadian dollars and Euro. They manage the risk of fluctuations with their bankers, AIB Bank Plc.

Credit Risk:

Credit risk is the risk of an unexpected loss if a party to its financial instruments fails to meet its contractual obligations. The Company's cash is held at reputable financial institutions with high external credit ratings. It is Management's opinion that the Company is not exposed to significant credit risk.

None of the Company's financial assets are secured by collateral or other credit enhancements.

Credit risk assessments are carried out for every client and for every prospective client. Recommendations are identified for managing credit risk and accounts receivable balances are closely monitored, issues are identified on a timely basis and appropriate corrective action taken as required.

The Company thoroughly examines the various financial risks to which it is exposed and assesses the impact and likelihood of those risks. These risks include credit risk and liquidity risk. Where material, these risks are reviewed and monitored by the Board of Directors.

(i) Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they come due. The Company's liquidity and operating results may be adversely affected if its access to the capital markets is hindered, whether as a result of a downturn in stock market conditions generally or matters specific to the Company.

The Company regularly evaluates its cash position to ensure preservation and security of capital as well as liquidity.

INHERENT RISK FACTORS

You should carefully consider the following risks and uncertainties in addition to other information in this MD&A in evaluating the Company and its business before making any investment decision in regards to the common shares of the Company. The Company's operating and financial condition could be harmed due to any of the following risks.

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Operating History

Poko Group assets have been built over the period 2018 to 2021. The management team is skilled in brand creation and e-commerce. The assets were created based on that knowledge learned working with clients in Australia, UK, Canada, Brazil and the US. Even though Poko Innovations Inc. was recently incorporated there is considerable management experience behind the group. It is however still subject to many of the risks common to early-stage enterprises, including under-capitalization, cash shortages, limitations with respect to personnel, financial, and other resources and lack of revenues. A return on shareholders' investment and the likelihood of success must be considered in light of the early stage of operations in conjunction with an experienced management team.

Covid-19

Covid-19 has delayed the growth and development of many companies across the globe and Poko Group is subject to similar potential risks. The governments in Ireland and the UK have many supports in place to help companies through these times, including grants towards staff costs of €205-350 weekly per staff member. The rate at which new products are added to stores remains slower during Covid and affects our assets distribution networks, like the skincare range, but the volume of online transactions open up opportunities for our assets, like LumiPay.

Competition

Poko Group will face intense competition from other companies, some of which can be expected to have longer operating histories and more financial resources than Poko. Increased competition by larger and better financed competitors could materially and adversely affect the proposed business, financial condition and results of operations of Poko.

Difficult to Forecast

Detailed sales forecasts are not generally obtainable from sources at this early stage. The UK & Germany have been identified as having the largest CBD market in Europe and reported to be the highest growth regions in Europe through to 2025. The financial services industry which is served by LumiPay is part of a global payment processing solution, market size is expected to grow from USD 74.4 billion in 2020 to USD 120.7 billion by 2025, at a CAGR of 10.2% during the forecast period.

Product Liability

Poko uses 3rd party UK certified facilities for the manufacture of products and does not involve itself in the manufacture or production so as to minimize the potential risk. If licensed as a distributor of products designed to be ingested by humans, Poko faces an inherent risk of exposure to product liability claims, regulatory action and litigation if its products are alleged to have caused significant loss or injury. In addition, the sale of products involves the risk of injury to consumers due to tampering by unauthorized third parties or product contamination. The Corporation may be subject to various product liability claims, including, among others, that its products caused injury or illness, include inadequate instructions for use or include inadequate warnings concerning possible side effects or interactions with other substances. A product

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liability claim or regulatory action against Poko could result in increased costs, could adversely affect Pokos' reputation with its clients and consumers generally, and could have a material adverse effect on our results of operations and financial condition of Poko. There can be no assurances that Poko will be able to obtain or maintain product liability insurance on acceptable terms or with adequate coverage against potential liabilities. Such insurance is expensive and may not be available in the future on acceptable terms, or at all. The inability to obtain sufficient insurance coverage on reasonable terms or to otherwise protect against potential product liability claims could prevent or inhibit the commercialization of Pokos' potential products.

Product Recalls

Poko products, such as the skin care range, have been made in partnership with UK GMP certified facilities, all of the CBD ingredients have a certificate of analysis (COA's) and are registered with the EU cosmetics portal.

In the unlikely event any of pokos' products are recalled due to an alleged product defect or for any other reason, pokos could be required to incur the unexpected expense of the recall and any legal proceedings that might arise in connection with the recall. The Corporation may lose sales and may not be able to replace those sales at an acceptable margin or at all. In addition, a product recall may require significant management attention.

Brexit

The majority of the initial clients are UK based and the manufacturing base is in the UK, this means Brexit will have a limited effect on existing clients and may be a barrier to entry for competitors. Stock is also held in the EU and movement of any additional stock required can easily be shipped between the UK and EU.

GEOGRAPHIC FOCUS

Management believes that the UK and EU market is the most lucrative target market at present but will keep an open mind to Canada and the USA if the opportunity arose and was approved by the board. Brexit is less of a factor as the manufacturing and supply partners are also UK based.

LIMITATIONS OF CONTROLS AND PROCEDURES

Management, including the CEO and COO, believe that any disclosure controls and procedures or internal controls over financial reporting, no matter how well conceived and operated, can provide only reasonable, not absolute, assurance that the objectives of the control system are met. Further, the design of a control system must reflect the fact that there are resource constraints, and the benefits of controls must be considered relative to their costs. Because of the inherent limitations in all control systems, they cannot provide absolute assurance that all control issues and instances of fraud, if any, within the Company have been prevented or detected. These inherent limitations include the realities that judgments in decision-making can be faulty, and that breakdowns can occur because of simple error or mistake. Additionally, controls can be circumvented by the individual acts of some persons, by collusion of two or

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more people, or by unauthorized override of the control. The design of any systems of controls also is based in part upon certain assumptions about the likelihood of future events, and there can be no assurance that any design will succeed in achieving its stated goals under all potential future conditions. Accordingly, because of the inherent limitations in a cost effective control system, misstatements due to error or fraud may occur and not be detected.

MANAGEMENT CONCLUSION

Poko Groups management believe that the we have successfully set up the companies assets and have received positive feedback from consumers and stockists in initial launch. The marketing initiatives set up for Q4 of 2021 and Q1 of 2022 will boost brand visibility and business success through the use of the raised funds. Having received production line delivery at the end of Q4 2022 Poko believes we will be in a secure position to be able to meet demand and supply into our distribution networks based on the demand created from marketing efforts and awards coverage.

LumiPay has moved from lower value clients and is now focused on targeting clients within the high risk industry with monthly revenues between \$2M to \$15m and will focus on this niche into 2022.

The company is also currently building out its sales division and has seen an increase in stockists since bringing these team members on board late September, with more stores willing to bring in new brands and products post-COVID in the New Year, we are confident that Poko will be available throughout Germany, Ireland and the UK, increasing accessibility by end of Q2 2022. While Poko does still consider COVID a risk factor, with new variants and potential lockdowns possibly in the pipeline, we want to assure you we will do all in our power to grow the Poko Group and create a strong international company for you, the investors, us, the management and the board of directors.