LOOPShare Ltd. (formerly Kenna Resources Corp.)

MANAGEMENT DISCUSSION AND ANALYSIS

This Management Discussion and Analysis (this "**MD&A**") is dated November 26, 2018 and is intended to assist the reader in understanding the results of operations and financial condition of LOOPShare Ltd. (the "Company" or "LOOPShare"). This MD&A should be read in conjunction with the following information that can be obtained from www.sedar.com:

i. the Company's unaudited condensed consolidated interim financial statements for the nine months ended September 30, 2018 and accompanying notes;
ii. the Company's Annual Management's Discussion and Analysis dated May 1, 2018 ("Annual MD&A"); and
iii. The Filing Statement of the Company dated the 29th day of May, 2016.

Unless otherwise noted, results are reported in Canadian dollars, which is the Company's functional currency, and are reported in accordance with International Financial Reporting Standards ("**IFRS**"). References to USD are references to United States dollars.

CAUTION ON FORWARD-LOOKING INFORMATION

This MD&A contains certain "forward-looking information" and "forward-looking statements" (collectively "**forward-looking statements**") within the meaning of applicable Canadian securities legislation. When we discuss our strategy, plans, outlook, future financial and operating performance, financing plans, growth in cash flow and other events and developments that have not yet happened, we are making forward-looking statements. All statements in this MD&A that address events or developments that we expect to occur in the future are forward-looking statements, including the following:

- our intention to ship scooters equipped with our devices directly from the manufacturer;
- the development and capabilities of LOOPShare (as defined herein) platform to enable scooter sharing operations;
- our plan to launch operations by partnering with operators worldwide;
- our plan to continue the development of our devices to provide for manufacturing cost savings;
- our plan to customize the VMOTO (as defined herein) scooter;
- our plan to obtain certification of the SVD400G device (as defined herein);
- our plan to commence additional scooter sharing field trials;
- plans to run a scooter technical trial in Japan, plans to license and integrate the WebTrack software, our plan to develop hardware enhancements, new hardware products, and new software in order to continue to provide leading edge technology;
- our expectations in relation to the Berytech Business Arrangement (as defined herein);
- our expectations in relation to working capital;
- our expectations in relation to our future financial needs;
- our expectations in relation to a business arrangement with Loop (as defined herein);
- additional advances from BTFII (as defined herein) and the issuance of additional Berytech Warrants (as defined herein); and
- our expectations regarding our OEM (as defined herein) customers and completing such customers' orders; and our expectations in relation to competition and foreign currencies.

Forward-looking statements are statements that are not historical facts and are generally, although not always, identified by words such as “expect”, “plan”, “anticipate”, “project”, “target”, “potential”, “schedule”, “forecast”, “budget”, “estimate”, “intend” or “believe” and similar expressions or their negative connotations, or that events or conditions “will”, “would”, “may”, “could”, “should” or “might” occur. All such forward-looking statements are based on the opinions and estimates of management as of the date such statements are made. Forward-looking statements necessarily involve assumptions, risks and uncertainties, certain of which are beyond the Company’s control, including the following:

- our dependence on suppliers and customers;
- our untested business model;
- our ability to attract qualified operators;
- the competitive nature of the transportation sharing market; our ability to manage our growth;
- geopolitical risks;
- exchange rate risks;
- regulatory risks;
- our future operations;
- our dependence on key personnel; dilution to present and prospective shareholders;
- the lack of a market for our securities; and
- our share price.

As we are entering into a new business segment, future operations are uncertain and there is a risk that there will be a limited market for our services. In addition, operational challenges such as licensing, regulation and product and service costs are uncertain and may vary from country to country.

The Company assumes no responsibility to revise forward-looking statements to reflect new information, subsequent events or changes in circumstances, except as required by applicable securities laws.

1. Description of the Business

LOOPShare Ltd. (formerly Kenna Resources Corp., the “Company” or “LOOPShare”) was incorporated under the provisions of The Business Corporations Act (Saskatchewan) on September 25, 2009. On September 4, 2014, the Company completed its continuance to British Columbia under The Business Corporations Act (British Columbia). The Company is in the business of mineral exploration. The Company’s head office, principal address and the registered and records office are located at 106 – 131 Water Street, Vancouver, BC V6B 4M3.

During the year ended December 31, 2016, the Company acquired all of the outstanding securities of Saturna Green Systems Inc. (“Saturna”) in exchange for the issuance of securities of the Company (the “Transaction”). The Company, with Saturna as its wholly owned subsidiary, will now pursue the business of Saturna as described in the Company’s filing statement dated May 29, 2016.

The Company develops and deploys connected end-to-end Telematics-based solutions for inner-city transportation vehicles, specifically geared toward Transportation as a Service (“TaaS”). The Company specializes in the connected vehicle industry with a focus on two wheel electric vehicles. Saturna has developed a ruggedized 7” touch screen dashboard (“SVD400”) for factory installation.

In conjunction with the closing of the Transaction, the Company has changed its name to "LOOPShare Ltd." and consolidated its outstanding class A shares on the basis of 1.469565217 old shares for each one new share (on a post-consolidation basis, the "Shares"). All of the Company's other outstanding securities were adjusted on the same basis prior to completion of the Transaction.

Effective at the opening, Friday, July 8, 2016, the common shares of LOOPShare Ltd. resumed trading under the new name on the TSX Venture Exchange. The Company is classified as a technology company. On November 10, 2016, the Company's trading symbol changed from LUP to LOOP.

The accompanying condensed consolidated interim financial statements have been prepared on a going concern basis, which assumes that the Company will be able to meet its obligations and continue its operations for the next twelve months. Realization values may be substantially different from carrying values as shown and these financial statements do not give effect to adjustments that would be necessary to the carrying values and classification of assets and liabilities should the Company be unable to continue as a going concern. Such adjustments could be material. The Company is dependent upon raising debt and equity financing to provide the funding necessary to meet its general operating expenses and will require additional financing to continue to develop and deploy its TaaS technology, and settle liabilities. The Company has incurred losses since inception and expects to incur further losses in the development of its business. As at September 30, 2018, the Company had a net working capital deficiency of $3,263,847 (December 31, 2017 - $2,635,991) and a cumulative deficit of $10,674,023 (December 31, 2017 - $9,848,341), which has been funded primarily by the issuance of equity. These factors may cast significant doubt upon the Company's ability to continue as a going concern and, therefore, it may be unable to realize its assets and discharge its liabilities in the normal course of business. Although the Company has been successful in the past in obtaining financing, there is no assurance that it will be able to obtain adequate financing in the future or that such financing will be on terms advantageous to the Company.

2. Business Model

The Company's primary focus is on establishing scooter-sharing operations throughout the world through a network of third party operators. LOOPShare plans to sell connected scooters to operators as part of a turnkey, "plug-and-play" business solution. The Company will provide ongoing services generating monthly recurring revenue. In addition, the Company will continue to sell its SVD400 device to scooter and motorcycle manufacturers worldwide.

3. Growth Strategy

LOOPShare's business model is designed to be highly scalable, supported by software it has developed and has integrated with currently available third party software. "LOOP" branded scooters can be shipped from the factory in China to cities around the world, already homologated to meet local transport authority requirements and localized for market specific requirements.

LOOP plans to engage local Zone Operators world-wide based on criteria developed for size of local market, financial capacity and operating requirements.

4. Overall Performance

a) Operations for the Nine Months Ended September 30, 2018

During the year ended December 31, 2017, the Company successfully completed the experimental studies of the 30 electric scooter-sharing fleet services in Naha, Okinawa. This project was supported by the subsidy (subsidy program for global innovation centres) of the Japan External Trade Organization (JETRO), a Japanese government-related organization that works to promote mutual trade and investment between Japan and the rest of the world. This subsidy subsidizes the cost of companies from overseas for experimental studies regarding innovative technology and services in collaboration with Japanese companies and other organizations in Japan.

The Company received the first batch of scooters on January 5, 2017 for its Loop Zone operation field trial in the city of Vancouver, Canada. The importation of the Loop scooters was made possible after LOOPShare secured Transport Canada permission.

During the year ended December 31, 2017, the Company has shipped 155 SVD400 touchscreen display units to a tier-1 Original Equipment Manufacturer ("OEM") and supplier of electric scooters with a manufacturing base located in Ann Arbor, Michigan, USA. The Company shipped 70 of these units to the OEM during the second quarter of 2017. LOOPShare delivered 300 SVD400 devices during the year ended December 31, 2016. The Company renegotiated its purchase order with the OEM to provide for the shipment of an additional 600 units in F2017.

The Company continued the development of its software and hardware products and applications aiming at commercial deployment in select locations in the current year.

On May 25, 2017, the Company entered into a Zone Operator agreement with E-SHARING SCOOTERS, LLC, of Miami, Florida to run a field trial of scooters in the Miami-Dade County. The agreement is based on a 3 months TaaS field trial phase that involves 20 electric scooters. In case of a successful trail, measured on KPIs, the agreement will extend for a period of maximum 20 years subject to meeting KPIs that are reviewed on annual basis and increasing number of scooters based on market demand. On June 5, 2017, the Company announced the signing of a Transportation as a Service ("TaaS") Field Trial Agreement.

On June 13, 2017, the Company announced that Loop Japan K.K. and Japan's Ministry of Internal Affairs and Communications ("MIC") signed an Internet of Things ("IoT") Transportation agreement to provide 15 Loop electric vehicles which will be co-developed together with a Japanese electric vehicle manufacturer for Kamakura (http://www.city.kamakura.kanagawa.jp/). This will be a pilot project 100% funded by MIC and is expected to conclude in February 2018 with payment to Loop Japan K.K. in March 2018.

On May 18, 2017, the Company commenced an initial commercial deployment of 15 Loop scooters in Beirut, Lebanon, available to select control groups. Full commercial rollout of a total of 165 scooters is planned for later in 2018.

On September 14, 2017, the Company received a purchase order and 50-per-cent down payment for a transportation-as-a-service (TaaS) field trial for a fleet of 110 scooters over a one-month period scheduled for Q1 2018. The PO balance is expected prior to shipping the Loop scooters to their destination in southern California.

b) Reverse Takeover Transaction

On June 28, 2016, the Company (formerly Kenna Resources Corp.) completed a reverse takeover transaction with Saturna Green Systems Inc. (“Saturna”) pursuant to a Securities Exchange Agreement (“SEA”). Under the terms of the SEA, the Company acquired all of the outstanding securities of Saturna in exchange for 26,191,427 common shares of the Company at a deemed price of $0.20 per Company share (the “Transaction”). Subsequent to completion of the Transaction, the Company, with Saturna as its wholly owned subsidiary, pursues the business of Saturna as described herein and in the Company’s filing statement dated May 29, 2016.

In conjunction with the closing of the Transaction, the Company changed its name from Kenna Resources Corp. to “LOOPShare Ltd.” and consolidated its outstanding class A shares on the basis of 1.469565217 old shares for each one new share (on a post-consolidation basis, the “Shares”). All of the Company’s other outstanding securities were adjusted on the same basis prior to completion of the Transaction.

Effective at the opening, Friday, July 8, 2016, the common shares of Loopshare Ltd. resumed trading under the new name on the TSX Venture Exchange. Immediately following completion of the Transaction, the Company, with Saturna as its wholly owned subsidiary, pursues the business of Saturna as described in the Corporation’s filing statement dated May 29, 2016. The Company is classified as a technology company. Effective November 10, 2016, the Company’s trading symbol will changed from LUP to LOOP.

Immediately prior to closing, Saturna had 7,818,341 class A common shares outstanding after giving effect to the following:

Class A common shares issued immediately prior to completion of the Transaction	Class A common shares(1)	Issue Price(1)	Share Capital
Class A common shares issued and outstanding, June 28, 2016	6,282,506		
Conversion of debentures (1)	1,014,917	$0.5025	$510,000
Settlement of accrued compensation	73,157	$0.67	$49,015
Finder’s fees paid to Fortuna Investment (2)	447,761	$0.67	$300,000
Total class A common shares issued and outstanding immediately prior to completion of the Transaction	7,818,341		

(1) Convertible debentures in the aggregate principal amount of $510,000 were converted at a price of $0.5025 per class A common share, being the Transaction price of $0.67 per class A common share, less a discount of 25%, with no additional consideration paid for accrued interest.

(2) Issued pursuant to advisory agreements with Fortuna Investment Corp. In addition to 447,761 class A common shares, the Company paid Fortuna a fee of $120,000 upon completion of the Transaction.

In connection with the Transaction, immediately prior to the shares exchange, Kenna Resources Corp. consolidated its common shares on a 1.469565217 to 1 basis (the “Consolidation”), resulting in 5,618,617 common shares of Kenna being issued and outstanding.

Upon completion of the Transaction, the Company changed its name from Kenna Resources Corp. to LOOPShare Ltd. and paid finder's fees of $279,415 by the issuance of 1,397,074 LOOPShare common shares.

In conjunction with closing of the Transaction, LOOPShare closed a private placement for gross proceeds of $1,375,000 by the issuance of 6,875,000 LOOPShare common shares at a price of $0.20 per share and paid cash commissions totaling $52,210 along with 254,800 non-transferable broker warrants in connection with the private placement. Each broker warrant entitles the holder thereof to purchase one resulting LOOPShare common share at an exercise price of $0.37 per share for a period of two years from the closing of the private placement using volatility of 129%, risk-free rate of 0.56%, and dividend rate of nil%.

As a result of the Transaction, and prior to the private placement the shareholders of Saturna owned approximately 82% of the issued and outstanding common shares of LOOPShare on a diluted basis. For accounting and reporting purposes, Saturna is the accounting acquirer and LOOPShare is the accounting acquiree because of the significant holdings and influence of the control group of Saturna before and after the Qualifying Transaction.

The reverse acquisition has been accounted for as a share-based payment transaction on the basis that LOOPShare did not meet the definition of a business because LOOPShare is a shell based company with no ongoing business operations. As a result, the difference between the fair value of the consideration deemed to have been paid by the accounting acquirer and the fair value of the identifiable net assets of the accounting acquiree is expensed.

The net assets acquired at fair value on June 28, 2016 are as follows:

Consideration paid		
5,618,617 common shares(1)	$	1,123,723
2,647,617 warrants(2)		86,214
Total consideration paid		1,209,937
Less: settlement of pre-existing loan(3)		(250,000)
Net consideration		959,937
Less: Value of net assets		
Cash		180,829
Amounts receivable		22,481
Trade and other payables		(90,615)
Net assets acquired		112,695
Fair value of consideration paid in excess of net assets acquired	$	847,242
Other listing expenses		
Finders shares		579,415
Finder's fee paid in cash		120,000
Legal expenses		171,350
Filing fees		13,747
Marketing fees		11,860
		896,372
Total listing expenses	**$**	**1,743,614**

(1) Common shares of the Company prior to completion of the Transaction, valued at $0.20 per class A common share, being the price of the private placement.
(2) Warrants issued in exchange for Kenna warrants on the basis of 1:1.4695 considered as additional consideration. These warrants were measured as of June 28, 2016 and the fair value of $86,214 was determined using the Black Scholes option pricing model with volatility of 110.17%, risk-free rate of 0.50% and dividend rate of nil%.
(3) The Company (formerly Kenna Resources Corp.) advanced $250,000 to Saturna as bridge financing prior to the Transaction. Given this pre-existing relationship these amounts were effectively settled upon the closing of the Transaction.

c) Business Arrangement

On February 3, 2016 and November 14, 2016, the Company entered into agreements (collectively the "**Berytech Agreements**") with Berytech Fund II s.a.l. (Holding) ("**BTFII**"), Berytech Fund Management s.a.l. (Holding) ("**BTFM**"), Loop s.a.l. ("**Loop**"), and Anwar Sukkarie, a director and officer of the Company. Loop is a Lebanese company incorporated for the purpose of this business arrangement (the "**Berytech Business Arrangement**").

Pursuant to the Berytech Agreements, BTFII has, at the date of this MD&A, advanced Loop USD 1,300,000 by way of an initial instalment of USD 610,000 and a second installment of USD 690,000. The amount may be increased to an aggregate of USD 2.5 million, upon agreement of all parties to the Berytech Agreements. During the year ended December 31, 2016 from the proceeds of the initial instalment USD 190,000 was used to immediately repay certain non-interest bearing loans previously granted by BTFM to Loop, US$293,000 was used to license software from the Company and USD 81,500 was paid to the Company as purchase deposits for electric scooters equipped with the Company's technology ("**Loop Scooters**"). From the proceeds of the second instalment and unless otherwise agreed by the Company, USD 337,500 will be used for purchasing scooters for scooter sharing operations, USD 169,500 for software customization and USD 183,000 for general operations. During the year, the Company and Loop s.a.l. agreed to reduce the amount allocated to scooter purchases by $99,158, of which $291,038 has been paid to LOOPShare as deposits, and increase cash allocated to general operations by the same amount.

The derivative instrument's fair value is calculated using Level 3 inputs. The gain or loss on initial recognition of the derivative liability with Level 3 inputs is not recognized but deferred. Any loss arising from the subsequent re-measurement is recognized in the consolidated statement of net loss. Any gain from the re-measurement of the derivative instrument is only recognized to the extent of a recorded loss as the Investor would never exercise its right under these circumstances. The value of the derivative instrument as at September 30, 2018 is estimated to be $1,443,106. The method of valuation of the derivative instrument is set out in Note 10 of the Company's condensed consolidated interim financial statements for the nine months ended September 30, 2018.

Japan Operations

On September 8, 2016, the Company received approval of a subsidy from the Japan External Trade Organization (JETRO), a Japanese government-related organization that works to promote mutual trade and investment between Japan and the rest of the world. The subsidy, received on March 24, 2017 after successful completion of the project, was provided to Loop Japan KK, a wholly owned subsidiary established in third quarter of 2016 to localize the Company's solution for the Japanese, Chinese and South Korean markets. Under the agreement 30 Loop scooters were shipped to Naha, Okinawa for field trials.

5. Future Plans and Outlook

a) Future Plans and Outlook

The Company is planning to perform the following activities during the year ending December 31, 2018:

Plans	
a)	Continue the development of the SVD400 and SVD400G devices to provide for manufacturing cost savings had been originally planned for 2016. In 2018, the Company plans to complete this project;
b)	Complete customization of the VMOTO electric scooter to accommodate the use requirements of a scooter sharing operation. In fiscal 2016, the scooter was customized for initial field trials. The Company has identified further enhancements for development and implementation for 2018;
c)	Obtain certification of the SVD400G device, which was originally planned for 2016 has moved to 2018. Certification requirements relate specifically to third-party certification of the modem in territories where such certification is required and has not been provided by the modem supplier. In addition to the planned certification of the SVD400 device the Company will plan to certify its battery charger in required markets;
d)	Commence scooter sharing field trials in Vancouver, British Columbia, Tokyo, Japan and at least three additional cities. The Company had planned to commence trials in three cities in 2016, but commenced in Beirut, Lebanon only. A trial in Okinawa, Japan commenced in February 2016. In 2017, trials in both Miami, Florida and California, USA commenced in June and September, respectively while trials in Vancouver are slated for 2018;
e)	Launch commercial operations in initial three cities during 2017. Commercial field trial operations began in Beirut in May 2017. Upon success of field trial, the 110-scooter fleet is expected to roll-out in 2018;
f)	Field trials were launched with the Company's 'minimal viable software solution'. It is planned that in 2017 a fully scalable V1 software will be launched in 2017 along with user interfaces and an office suite;
g)	Deploys commercial field trials in other cities across U.S., followed by commercial rollouts planned for 2018 and 2019.

6. Summary of Quarterly Results

Quarterly results for the three and nine months ended September 30, 2018 and 2017 are as follows:

Results	Three months ended September 30,		Nine months ended September 30,	
	2018	**2017**	**2018**	**2017**
Total Revenue	$ -	$ 66,271	$ -	$ 149,298
Cost of Sales	-	59,584	-	138,216
Gross Margin	-	6,687	-	11,082
Amortization	4,337	10,640	16,762	24,413
Debt issue expense	-	-	1,053	-
General and administrative	136,913	307,954	504,903	1,156,824
Finance costs	-	61	-	7,899
Research and development	181,539	74,142	509,192	427,821
Sales and marketing	-	102,530	101,691	206,679
Share-based compensation	7,751	24,986	31,714	106,089
Total Expenses	330,540	520,313	1,165,315	1,929,725
Net loss before other items	(330,540)	(513,626)	(1,165,315)	(1,918,643)
Other items				
Currency gain (loss)	(13,078)	3,674	(66,969)	2,927
Other income	-	-	-	2,174
Gain on sale of land	-	-	35,000	-
Government grant income	-	-	371,602	205,592
Net Loss	(343,618)	(509,952)	(825,682)	(1,707,950)
Other comprehensive gain (loss) Foreign currency translation adjustment	25,948	6,237	(25,472)	3,365
Total comprehensive loss	(317,670)	(503,715)	(851,154)	(1,704,585)
Loss per share – basic and diluted	$ (0.01)	$ (0.01)	$ (0.02)	$ (0.04)
Weighted average number of common shares	42,541,256	41,791,256	42,386,844	41,791,256

a) <u>Revenue and Gross Margin</u>

Revenue for the nine months ended September 30, 2018 was $nil (2017 - $149,298) which is comprised of $nil (2017 - $23,082) from engineering services and $nil (2017 - $126,216) from product sales.

Revenue for the three months ended September 30, 2018 was $nil (2017 - $66,271) which is comprised of $nil (2017 - $18,867) from engineering services and $nil (2017 - $47,404) from product sales.

During the nine months ended September 30, 2018, $nil (2017 - $34,104) of revenue was attributable to the Company's affiliate company, Loop s.a.l.

b) <u>Expenses</u>

Overall total expense for the nine months ended September 30, 2018 decreased by 40% over the prior comparable period. This decrease was due to cost savings in each area.

i) General and Administrative

General and administrative expense for the nine months ended September 30, 2018 decreased by 56% over the prior comparable period. The decrease was due to not incurring any consulting fees over the period and a decrease in personnel fees for over the period.

ii) Research and Development Expense

Research and development expense for the nine months ended September 30, 2018 increased by 19% over the prior comparable period mainly due the increase in office expense over the period.

iii) Sales and Marketing Expense

Sales and marketing expense for the nine months ended September 30, 2018 decreased by 51% over the prior comparable period primarily due to a decrease in personnel fees and decrease in consulting fees over the period.

iv) Share Based Compensation Expense

The share-based compensation expense of $31,714 was comprised $30,727 of share-based compensation to Anwar Sukkarie (compensation and performance shares). Share-based compensation for the prior period was $106,089 primarily due to shares issued in consideration for an arrangement with employees to reduce their salaries.

v) Interest Expense

Interest expense for nine months ended September 30, 2018 was $nil compared to $7,899 during the nine months ended September 30, 2017.

Summary of Quarterly information:

The Company has not previously reported loss per share information for quarters other than the quarters prior to June 30, 2016.

	For the quarters ended							
	September 30, 2018	June 30, 2018	March 31, 2018	December 31, 2017	September 30, 2017	June 30, 2017	March 31, 2017	December 31, 2016
	$	$	$	$	$	$	$	$
Revenue	-	-	-	115,695	66,271	35,205	47,822	44,513
Cost of Sales	-	-	-	303,201	59,584	36,172	42,460	99,604
Gross Margin	-	-	-	(187,506)	6,687	(967)	5,362	(55,091)
Total expenses	330,540	323,657	511,118	778,950	520,313	764,710	644,702	796,317
Net loss before other items	(330,540)	(323,657)	(511,118)	(966,456)	(513,626)	(765,677)	(639,340)	(851,408)
Exchange gain (loss)	(13,078)	(46,213)	(7,678)	(16,688)	3,674	(9,381)	8,634	(25,234)
Other income	-	-	-	(2,174)	-	2,174	-	-
Gain on sale of land	-	35,000	-	-	-	-	-	-
Government grant income	-	371,602	-	-	-	-	205,592	-
Net income (loss)	(343,618)	36,732	(518,796)	(985,318)	(509,952)	(772,884)	(425,114)	(876,642)
Other comprehensive income (loss)	25,948	(34,037)	(17,383)	9,604	6,237	13,350	(16,222)	(9,408)
Total comprehensive income (loss)	(317,670)	2,695	(536,179)	(975,714)	(503,715)	(759,534)	(441,336)	(886,050)

During the three months ended December 31, 2016, revenue was derived 98% from the sale of hardware of which 46% was from the sale of connected scooters to the Company's affiliate in Beirut. Revenue for the three months ended December 31, 2015 included service revenues of $200,334 from recognition of final delivery of services under a development contract. The remaining revenue reported for the above quarters is primarily derived from hardware sales and related services for one OEM customer located in USA.

There are no known trends or seasonal impacts on the Company's business although it is anticipated that seasonal trends will develop as the Company grows, which will be mitigated in part due to the planned global nature of the Company's business.

Loss before the undernoted for the quarter ended December 31, 2016 represented a 58% increase over the preceding quarter due primarily to a negative operating margin reflecting a customer contract with onerous terms and a 49% increase in operating expenses primarily due to the realization of share-based compensation expense. Loss before the undernoted for the three months ended September 30, 2016 increased by 62% over the previous quarter due to increased expenses for capital market costs

Listing expense recorded for the second quarter of 2016 is explained under Reverse Takeover Transaction described in the MD&A.

Revenue for the three months ended September 30, 2018 was $nil (2017 - $66,271) which is comprised of $nil (2017 - $18,867) from engineering services and $nil (2017 - $47,404) from product sales.

During the three months ended September 30, 2018, $nil (2017 - $34,104) of revenue was attributable to the Company's affiliate company, Loop s.a.l.

7. Financial Position

Summary of Financial Position	September 30, 2018	December 31, 2017
Current assets	$248,617	$307,517
Total assets	$331,138	$394,122
Current and total liabilities	$3,512,464	$2,943,508
Deficit	$(10,674,023)	$(9,848,341)
Shareholders' deficiency	$(3,181,326)	$(2,549,386)

a) Assets

The 19% decrease in current assets was mainly due to a decrease in accounts receivable by $79,144.

As at September 30, 2018, total assets decreased by 16% from total assets at December 31, 2017 due primarily to the decrease in accounts receivable.

b) Liabilities

Liabilities as at September 30, 2018 increased by 19% during the nine months period. Accrued compensation increased by $180,670 mainly due to vacation accrual and payroll in arrears. Accounts payable and accrued liabilities increased by $500,412, and the Company issued short term loans in the aggregate amount of $779,236.

c) Foreign Currency Loss

During the nine months ended September 30, 2018, the Company realized a currency loss of $66,969 (2017 - currency gain of $2,927).

8. Non-recurring Transactions

During the year ended December 31, 2016, the Company recorded revenue from the sale of software license to its affiliate, Loop. It is not expected that this will be a recurring revenue stream.

9. Liquidity and Capital Resources

The Company is reliant on its ability to raise capital in order to settle its debts as they come due. As at September 30, 2018, the Company had a working capital deficiency of $3,263,847; an increase in working capital deficiency of $627,856 over its December 31, 2017 working capital deficiency of $2,635,991.

Current operating capacity for the year ending December 31, 2018 is estimated to be $3,000,000, comprised $1,890,000 of operating expenditures based on expenditures for the nine months ended September 30, 2018, less non-recurring costs and less applicable subsidies. Additional capital will be required to meet estimated operating expenditures for 2018.

Estimated operating expenditures for the ensuing 12month period ending March 31, 2019 (not committed)	**Required funding**
Engineering and design	$385,000
Sales and marketing	$190,000
Operations and administration	$973,000
Inventory	$400,000
Planned Growth	$1,052,000
Total funds required for operations	**$3,000,000**

As at September 30, 2018, the Company had $708 cash, a decrease of $2,530 compared to a cash of $3,238 at December 31, 2017. The decrease was due to cash used for operating activities of $98,226 offset by cash from investing activities of $20,322 and cash from financing activities of $75,374.

On February 3, 2016, the Company entered into the Berytech Business Arrangement that involved granting a security interest in its present and future intellectual property, thereby restricting the ability of the Company to grant such security to other parties. The Company may be required to fund its ongoing operations from future operating surpluses, if they exist, or from raising additional equity financing.

10. Related Party Transactions

The following amounts are payable to related parties as at September 30, 2018 and December 31, 2017:

	September 30, 2018		**December 31, 2017**	
Companies controlled by directors	$	3,537	$	3,537
Accrued compensation		310,939		270,060
Expenses incurred on behalf of Company owing to directors and officers		378		26,390
	$	**314,854**	**$**	**299,987**

These amounts are unsecured, non-interest bearing and have no fixed terms of repayment.

As at September 30, 2018, the Company has non-interest bearing bridge loans due to a director and officer of the Company in the amount of $222,000 (December 31, 2017 - $187,000).

As at September 30, 2018, the Company has an obligation to issue class A common shares to a director and officer of the Company in the amount of $75,000 (December 31, 2017 - $75,000).

Key Management Compensation

The Company incurred the following transactions with directors, officers and companies that are controlled by directors of the Company, during the three and nine months ended September 30, 2018 and 2017:

	Three months ended September 30,		Nine months ended September 30,	
	2018	**2017**	**2018**	**2017**
Salary	$ 26,000	$ 68,960	$ 65,000	$ 278,896
Class A common share-based compensation accrued/paid	10,481	11,733	30,727	45,138
	$ 36,481	**$ 80,693**	**$ 95,727**	**$ 324,034**

Performance Shares

Effective January 1, 2018, the Company amended its agreement with Anwar Sukkarie, an officer and director of the Company. Under the revised agreement Mr. Sukkarie's 2018 salary of $78,000 shall be payable in cash. The prior agreement included a salary of $222,000 paid in cash of $72,000 and the balance by the issuance of a total of 749,999 common shares in two equal installments. Further, Mr. Sukkarie was entitled to 3,499,999 common shares ("Performance Shares") subject to meeting the following performance criteria.

Aggregate number of cities to which 55 or more scooters of the Resulting Issuer are shipped	Number of Performance Shares to be issued
Three (3)	1,499,999
Six (6)	2,000,000
Total	3,499,999

As of September 30, 2018, the number of shares expected to vest was 3,499,999. The performance shares have no set expiry date, but will terminate if the employment contract is terminated. The fair value of the performance shares was based on an estimated vesting period of 1.5 years for the first performance condition and 2.5 years for the second performance condition, and the market price of the common shares of $0.20 for total fair values of $300,000 and 400,000, respectively. Share-based compensation of $30,727 for the nine months ended September 30, 2018 (2017 - $45,138) was recorded in the consolidated statement of loss.

Royalty Arrangement

On May 29, 2016, the Company revised the terms of a royalty agreement that was previously entered into in 2014 with a corporation owned by employees of the Company with respect to the forgiveness of past salary. Under the revised agreement a royalty of up to $1,150,000 (the "Royalty Max") is to be calculated quarterly and payable in common shares of the Company and the market value on the issue date. Directors and officers hold a beneficial interest of 70% of the royalty company and collectively have 33% voting interest.

The revised royalty agreement provides that the royalty will accrue as set out in the table below.

Number of cities to which 55 or more scooters were shipped	Value of royalty
The first (3) cities, in aggregate	$69,000
Each one (1) subsequent city	$34,500

Such royalty amounts will be settled in Shares at a price per share equal to the greater of $0.13 per share and the market price per share, where "market price" is defined as a price equal to the Resulting Issuer's 10 day volume weighted average price on the Exchange. The number of Common Shares of the Resulting Issuer issuable pursuant to the agreement will be determined on each of:

- December 31, 2017, in respect of scooters shipped prior to December 31, 2017 (the "First Record Date");
- December 31, 2018, in respect of scooters shipped in the preceding year (the "Second Record Date"); and
- December 31 of each subsequent year, in respect of scooters shipped in the preceding year, until the Royalty Max is achieved.

If (i) the value of the Shares calculated on the First Record Date or Second Record Date fall below $300,000 or $850,000, respectively, and (ii) the Company has generated positive EBITDA (as defined below) in the fiscal year preceding the applicable record date, then the royalty payable effective each of the First Record Date and the Second Record Date will be increased, only to the extent of 15% of such positive EBITDA, payable in cash or settled by the issuance of Shares, at the option of the Company. "EBITDA" means net earnings before interest, depreciation and taxes, and before non-recurring expenses, engineering costs, software development costs, design costs, research and development costs, commercialization costs including filing of patents and certifications.

The royalty agreement has been treated as a contingent liability based on a future outcome and for which the payment is not probable, nor can it be measured reliably. At such time that the amount of the royalty can be calculated and it is probable that it will be due, the liability and expense will be recorded.

On August 23, 2018, the Company announced its intention to enter a share exchange agreement with a non-related party company and arm's-length shareholders. The target is the holder of a royalty to be paid by the Company (refer to subsequent events).

11. Off Balance Sheet Arrangements

On February 3, 2016, the Company entered into the Berytech Agreement, amended on September 7, 2016 under the Additional Investment Agreement, as more particularly described in note 10 to the Company's audited financial statements for the year ended December 31, 2016, in the Company's unaudited financial statements for the nine months ended September 30, 2018 and in the Company's Filing Statement dated May 29, 2016.

As of the date of this MD&A, BTFII has invested USD 1,300,000 in Loop pursuant to the Berytech Business Arrangement. The investment is comprised USD 1,280,000 of debt and USD 20,000 for a 40% interest in Loop. On November 14, 2016, the Company has issued a warrant to BTFII, which provides BTFII with the right to acquire 8,424,943 common shares of the Company at a deemed average exercise price of CAD $0.206 per share (the "**Berytech Warrant**"). Consideration for the exercise of the Berytech Warrant will be comprised of Berytech's debt and equity interest in Loop. Berytech may exercise the Berytech Warrant at any time, however the Berytech Warrant will exercise automatically on February 3, 2019 if it still remains outstanding, subject to the Company and Berytech entering into a share transfer agreement and subject to

Lebanese law.

Subject to the approval of the parties, BTFII may invest a total of USD 2.5 million in Loop. In the event additional advances are made to Loop, it is expected that additional warrants will be issued for the purchase of the appropriate number of Shares at a deemed exercise price equal to the market price of the Company's common shares at the time the funds are advanced.

The Company has entered into an option agreement with Anwar Sukkarie providing the Company with the right to acquire his 59.995% interest in the equity in Loop for a price of USD 1.00 subject to the exercise of the Berytech Warrant. The remaining 0.005% is held by an unrelated individual.

12. Outstanding Share Data

As at the date of this MD&A, the Company had 42,541,256 class A common shares, 750,000 share purchase warrants and 2,584,000 stock options outstanding.

8,424,943 common shares may be issued for the acquisition of the Company's affiliate. Subject to TSX Venture Exchange approval, the Company may issue up to 1,463,217 common shares at an agreed value of $346,051 for the acquisition of software licenses and may acquire additional software for USD 200,000 payable in common shares at the market price.

Pursuant to the employment agreement of an officer and director, 374,999 common shares may be issued in consideration for salary and up to 3,499,999 common shares may be issued pursuant to certain performance criteria being met, as described in paragraph 10.

Pursuant to a royalty agreement the Company may pay royalties of up to $1,150,000, calculated and payable quarterly in shares at the market price.

On February 26, 2018, the Company closed its private placement of $187,500. The private placement is a non-brokered offering of 750,000 units of the Issuer (the "Units"), at a price of $0.25 per Unit. Each Unit will be comprised of one Common "A" Share and one common share purchase warrant (a "Warrant"), each Warrant being exercisable to acquire one Common Share at a price of $0.05 per Common "A" Share for a period of one year following the closing date of the private placement.

13. Risk Factors

The Company's risk factors are set out in the Annual MD&A and in the Filing Statement that can be found at www.sedar.com.

14. Summary of Significant Accounting Policies

New accounting standards effective January 1, 2018

Revenue Recognition

The Company adopted all of the requirements of IFRS 15 Revenue from Contracts with Customers ("IFRS 15") as of January 1, 2018. IFRS 15 replaces IAS 18 Revenue, IAS 11 Construction Contracts, and related interpretations on revenue. IFRS 15 utilizes a methodical framework for entities to follow in order to recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods and services. As the Company has no revenue, no impact on the Company's condensed consolidated interim financial statements has resulted.

Financial instruments

The Company has adopted all of the requirements of IFRS 9 Financial Instruments ("IFRS 9") as of January 1, 2018. IFRS 9 replaces IAS 39 Financial Instruments: Recognition and Measurement ("IAS 39"). IFRS 9 utilizes a revised model for recognition and measurement of financial instruments and a single, forward looking "expected loss" impairment model. Most of the requirements in IAS 39 for classification and measurement of financial liabilities were carried forward in IFRS 9, so the Company's accounting policy with respect to financial liabilities is unchanged.

As a result of the adoption of IFRS 9, management has changed its accounting policy for financial assets retrospectively, for assets that continued to be recognized at the date of initial application. The change did not impact the carrying value of any financial assets or financial liabilities on the transition date. The main area of change is the accounting for equity securities previously classified as fair value through profit and loss.

The following is the Company's new accounting policy for financial instruments under IFRS 9.

Disclosures of Interests in Other Entities

The Company has adopted the narrow scope amendments to IFRS 12 - Disclosure of Interests in Other Entities, IAS 7 - Statement of Cash Flows and IAS 12 - Income Taxes which are effective for annual periods beginning on or after January 1, 2017. The amendments did not have an impact on the Company's condensed consolidated interim financial statements

Accounting Standards and Amendments Issued but Not Yet Adopted

Leases

In January 2016, the IASB published a new accounting standard, IFRS 16 - Leases ("IFRS 16") IFRS 16 specifies how to recognize, measure, present and disclose leases. The standard provides a single lessee accounting model, requiring the recognition of assets and liabilities for all leases, unless the lease term is 12 months or less or the underlying asset has a low value. The standard is effective for annual periods beginning on or after January 1, 2019, with early adoption permitted if IFRS 15, has also been applied. The Company does not have any material lease agreements and does not expect the adoption of this standard to materially impact its consolidated financial statements.

15. Non-IFRS Measures

The Company uses EBITDA (earnings before interest, taxes, depreciation and amortization), a non-IFRS measure, to determine amounts due under the Royalty Agreement. Securities regulators require that issuers caution readers that measures adjusted to a basis other than IFRS do not have standardized meaning under IFRS and are unlikely to be comparable to similar measures used by other companies. EBITDA is presented solely as a supplemental disclosure in relation to the Royalty Agreement, in which EBITDA is defined as EBITDA after adding back non-recurring development costs.

16. Subsequent Events

On August 23, 2018, the Company announced its intention to complete a non-brokered private placement financing of secured convertible debentures and 20,000 non-transferable share purchase warrants for every $1,000 of principal of the debentures for gross proceeds of a minimum of $1,500,000 and up to a maximum of $5,000,000. Each warrant is exercisable into one additional Class A share at an exercise price of $0.075 per warrant share for a period of three years from the date of closing. The Company expects to close the private placement on or before November 26, 2018.

The Company also announced its intention to settle debt in the amount of $1,160,886.45 owed by the Company to various creditors by the issuance of 22,244,394 Class A shares of the Company. Of these settlement shares, 226,666 will be issued at a deemed price of $0.075 per settlement share and 22,017,728 will be issued at a deemed price of $0.05 per settlement share.

On the same day, the Company had announced to apply for an amendment to the exercise price of 8,424,943 non-transferable share purchase warrants expiring February 3, 2019 from $0.20 to $0.10. All other terms did not change. The amendment to the exercise price is subject to the approval of the exchange.

The Company also announced its intention to enter a share exchange agreement with a 1022313 BC Ltd. and arm's-length shareholders. The Company intends to acquire all of the issued and outstanding common shares of the targeted company and the targeted shareholders in consideration for the issuance of 19,999,998 Class A common shares of the Company to the target shareholders. The target is the holder of a royalty to be paid by the Company (note related to the royalties). As of September 30, 2018, all announced secured convertible debenture private placement, settlement of debt, share exchange agreement and repricing of warrants have not yet completed.

On October 24, 2018, the Company entered into a $10,000 loan agreement from non-related parties which bears interest of 12%, unsecured and due on demand. In the event of non-payment of the principal amount, and all accrued interest thereon, when demanded by the Lender, an event of default shall have occurred. In the occurrence of an event of default, interest shall be increased to the rate of 18.0% per annum (1.5% per month) and shall be payable bi-weekly commencing on the date of the event of default.

Subsequent to the period ended September 30, 2018, 3,000,000 share purchase warrants have expired unexercised.

17. Approval

The Board of Directors of the Company has approved the disclosure contained in this MD&A. A copy of this MD&A will be provided to anyone who requests it and can be obtained along with additional information at www.sedar.com.