LOOPShare Ltd. (formerly Kenna Resources Corp.)

MANAGEMENT DISCUSSION AND ANALYSIS

This Management Discussion and Analysis (this "**MD&A**") is dated May 1, 2019 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 audited consolidated financial statements for the year ended December 31, 2018 and accompanying notes; and
(ii) 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);
- 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’s head office, principal address and the registered and records office are located at 106 – 131 Water Street, Vancouver, BC V6B 4M3. The Company trades on the TSX Venture Exchange under the symbol “LOOP”.

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 and changed its name to LOOPShare Ltd. (the “Transaction”). The Company, with Saturna as its wholly owned subsidiary, now pursues the business of Saturna which is the expansion of its Loop™ micro-mobility rideshare system.

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.

The accompanying consolidated 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 micro-mobility rideshare system, and settle liabilities. The Company has incurred losses since inception and expects to incur further losses in the development of its business. As at December 31, 2018, the Company had net working capital of $218,905 (2017 – net working capital deficiency of $2,635,991) and a cumulative deficit of $12,582,374 (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 a micro-mobility rideshare system, primarily using electric scooter-sharing, throughout the world through a network of third party operators. LOOPShare both operates its own fleet of electric scooters and plans to sell connected scooters to LoopZone™ 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. "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) <u>Operations for the Year Ended December 31, 2018</u>

During the year ended December 31, 2018 the Company continued the support of Loop SAL, its Zone Operator in Lebanon, and the commercial and operational field trial of 43 Loop scooters in the city of Beirut, Lebanon.

The Company received the updated version of the Loop scooter in April 2018 for test purposes. The Company continued the development of its software and hardware products and applications aiming at commercial deployment in select locations in the 2019 fiscal year.

On April 30, 2018, the Company closed a loan from a Japanese bank thus concluding all the deliverables for the 15 Loop electric vehicles which were co-developed together with a Japanese electric vehicle manufacturer for Kamakura.

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 Saturna is a wholly owned subsidiary.

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.

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 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 could be increased to an aggregate of USD 2.5 million, upon agreement of all parties to the Berytech Agreements. See "Off Balance Sheet Arrangements" in this MD&A for further details.

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, 2019:

Plans
a) continue the development of the nex generation SVD400 and SVD400G devices to provide for manufacturing cost savings which had been originally planned for 2016. In 2019 the Company plans to commercialize the next generation SVD Telematics device;

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 2019;
c)	obtain certification of the next generation SVD device. 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 next generation SVD device the Company will plan to homologate its next generation Loop scooter in required markets;
d)	commence scooter sharing commercial deployments in Vancouver, British Columbia, Tokyo, Japan and at least three additional cities;
e)	Field trials were launched with the Company's 'minimal viable software solution' in 2018. It is planned that in 2019 a fully scalable software release will be launched along with user interfaces and an office suite.

6. Summary of Annual Results

Annual results for the years ended December 31, 2018, 2017 and 2016 are as follows:

Results			
	2018	**2017**	**2016**
Total Revenue	$ -	$ 264,993	$ 613,266
Cost of Sales	-	441,417	216,099
Gross Margin	-	(176,424)	397,167
Amortization	48,870	73,836	10,098
Finance costs	83,555	34,546	30,232
General and administrative	902,821	1,497,598	929,050
Research and development	810,024	704,719	412,297
Sales and marketing	122,130	273,477	113,316
Share based compensation	251,350	124,499	595,112
Total Expenses	2,218,750	2,708,675	2,090,105
Net loss before other items	(2,218,750)	(2,885,099)	(1,692,938)
Currency gain (loss)	3,870	(13,761)	(14,481)
Other expense	(2,587)	-	-
Gain on settlement of debt	123,579	-	97,779
Gain (loss) on asset disposal	639	-	(9,698)
Gain on sale of mineral property interest	35,000	-	-
Settlement of debt with share exchange agreement	(1,000,000)	-	(27,983)
Inventory write-down	(47,386)	-	-
Listing expense	-	-	(1,743,614)
Government grant income	371,602	205,592	-
Net Loss	(2,734,033)	(2,693,268)	(3,390,935)
Other comprehensive (gain) loss	(11,705)	12,971	(9,408)
Total comprehensive loss	(2,745,738)	(2,680,297)	(3,400,343)
Loss per share – basic and diluted	$ (0.06)	$ (0.06)	$ (0.11)
Weighted average number of common shares	45,801,176	41,791,256	30,506,693

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

Revenue for the year ended December 31, 2018 was $Nil (2017 - $264,993) with $Nil (2017 - $23,918) from engineering services, $nil from the sale of software license (2017 - $Nil) and $Nil (2017 - $241,075) from product sales.

During the year ended December 31, 2018 $Nil (2017 - $18,867) of revenue was attributable to the Company's affiliate company, Loop s.a.l.

There was no revenue for the year ended December 31, 2018. Revenue for the year ended

December 31, 2017 was derived 14% from the Middle East and 86% from USA.

b) <u>Expenses</u>

Overall total expenses for the year ended December 31, 2018 decreased as a result of a cash flow deficiency and therefore expenses were scaled back.

i) General and Administrative

General and administrative expense for the year ended December 31, 2018 decreased by 40% over the prior year. The decrease was a result of a cash flow deficiency and therefore any expenses not related to the development of the Company's technology were scaled back.

ii) Research and Development Expense

Research and development expense for the year ended December 31, 2018 increased by 15% over the prior year mainly due to engineering development service work on the Company's software.

iii) Sales and Marketing Expense

Sales and marketing expense for the year ended December 31, 2018 decreased by 55%. The decrease was a result of a cash flow deficiency and therefore any expenses not related to the development of the Company's technology were scaled back.

iv) Share Based Compensation Expense

Share-based compensation expense of $251,356 is comprised share based compensation to Anwar Sukkarie for his performance shares and also for the vesting of options granted in 2016 and the grant of 5,580,000 options during the year. Share-based compensation expense for the prior year was $124,499 and was primarily comprised of share-based compensation to Anwar Sukkarie (compensation and performance shares).

v) Interest Expense

Interest expense for the year ended December 31, 2018 was $83,555 compared with $34,546 during the year ended December 31, 2017. Interest expense for the current year is attributed to interest on convertible debentures as well as interest on loans. Prior year's interest was mostly comprised of interest on loans.

Summary of Quarterly information:

	For the quarters ended							
	December 31, 2018	September 30, 2018	June 30, 2018	March 31, 2018	December 31, 2017	September 30, 2017	June 30, 2017	March 31, 2017
	$	$	$	$	$	$	$	$
Revenue	-	-	-	-	115,695	66,271	35,205	47,822
Cost of Sales	-	-	-	-	303,201	59,584	36,172	42,460
Gross Margin	-	-	-	-	(187,506)	6,687	(967)	5,362
Total expenses	1,053,435	330,540	323,657	511,118	778,950	520,313	764,710	644,702
Net loss before other items	(1,053,435)	(330,540)	(323,657)	(511,118)	(966,456)	(513,626)	(765,677)	(639,340)
Exchange gain (loss)	70,839	(13,078)	(46,213)	(7,678)	(16,688)	3,674	(9,381)	8,634
Gain on settlement of debt and accounts payable	123,579	-	-	-	-	-	-	-
Other income	-	-	-	-	(2,174)	-	2,174	-
Other expense	(2,587)	-	-	-	(2,174)	-	2,174	-
Gain on asset disposal	639	-	-	-	-	-	-	-
Gain on sale of mineral property interest	-	-	35,000	-	-	-	-	-
Loss on from settlement of debt with share exchange	(1,000,000)	-	-	-	-	-	-	-
Inventory write-down	(47,386)	-	-	-	-	-	-	-
Government grant income	-	-	371,602	-	-	-	-	205,592
Net loss	(1,908,351)	(343,618)	36,732	(518,796)	(985,318)	(509,952)	(772,884)	(425,114)
Other comprehensive income (loss)	13,767	25,948	(34,037)	(17,383)	9,604	6,237	13,350	(16,222)
Total comprehensive loss	(1,894,584)	(317,670)	2,695	(536,179)	(975,714)	(503,715)	(759,534)	(441,336)

Fourth Quarter Results

Revenue for the three months ended December 31, 2018 was $Nil (2017 - $115,695), $Nil (2017 - $836) from engineering services and $Nil (2017 - $114,859) from product sales. Revenue for the three months ended December 31, 2017 was derived solely from USA ($115,695). In 2018 the Company entered into a reduced level of activity as it focused on obtaining additional financing to expand operations. This resulted in an overall decrease in expenses during the year ended December 31, 2018 but also a decrease in revenues.

As the Company completed a financing in November 2018, it intends to move back into operations mode with plans to generate revenue again in 2019.

Net loss of $1,908,351 for the quarter ended December 31, 2018 represented a 94% increase compared to a net loss of $985,318 for the quarter ended December 31, 2017. This increase is due primarily to the increase in share-based compensation recognized in connection with Anwar's performance shares; and the loss recognized on the settlement of debt with the share exchange agreement.

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.

7. Financial Position

Summary of Financial Position	December 31, 2018	December 31, 2017
Current assets	$1,701,296	$307,517
Total assets	$1,737,605	$394,122
Current and total liabilities	$4,056,727	$2,943,508
Deficit	$(12,582,374)	$(9,848,341)
Shareholders' deficiency	$(2,319,122)	$(2,549,386)

a) <u>Assets</u>

The 453% increase in current assets was mainly due to an increase in cash of $885,391 mainly from the issuance of convertible debentures and an increase in prepaid expenses and deposits of $645,292.

As at December 31, 2018, total assets increased by 341% from total assets at December 31, 2017 mainly due from funds received from the issuance of convertible debentures and an increase in prepaid expenses and deposits.

b) <u>Liabilities</u>

Liabilities as at December 31, 2018 increased by 38% during the year mainly due to the issuance of convertible debt.

c) <u>Foreign Currency Loss</u>

During the year ended December 31, 2018 the Company realized a currency gain of $3,870 (2017 - $13,761 loss).

8. Non-recurring Transactions

Not applicable.

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. At December 31, 2018, the Company had working capital of $218,905; an increase of $2,854,896 in working capital from the December 31, 2017 working capital deficiency of $2,635,991.

Current operating capacity for the year ending December 31, 2019 is estimated to be $4,000,000, comprised $1,890,000 of operating expenditures based on expenditures for the year ended December 31, 2018, less non-recurring costs and less applicable subsidies. Additional capital will be required to meet estimated operating expenditures for 2019.

Estimated operating expenditures for the ensuing 12 month period ending December 31, 2019 (not committed)	**Required funding**
Engineering and design	$1,385,000
Sales and marketing	$190,000
Operations and administration	$973,000
Inventory	$400,000
Planned Growth	$1,052,000
Total funds required for operations	**$4,000,000**

As at December 31, 2018, the Company had $885,629 cash, an increase of $885,391 compared to a cash balance of $3,238 at December 31, 2017. The increase was due to the $3,197,500 in proceeds received from the issuance of convertible debentures, offset by, cash used for operating activities and the repayment of loans.

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

Key Management Compensation

The Company incurred the following transactions with directors, officers and companies that are controlled by directors of the Company, during the years ended:

	Years ended December 31,

		2018		2017
Salary & management fees	$	128,000	$	271,000
Consulting		54,200		-
Class A common share-based compensation accrued/paid		20,728		62,288
Gain on settlement of debt		207,060		-
	$	**409,988**	**$**	**333,288**

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

		December 31, 2018		December 31, 2017
Companies controlled by directors	$	323,096	$	3,537
Accrued compensation (note 12)		16,172		270,060
Expenses incurred by directors and officers on behalf of the Company		-		26,390
Due to directors and officers		4,200		-
	$	**343,468**	**$**	**299,987**

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

During the year ended December 31, 2018, the Company settled a total of $611,560 in accrued compensation and loans payable due to a director and officer of the Company as part of the issuance of shares for debt (Note 9).

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

As at December 31, 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 (2017 - $75,000).

During the year ended December 31, 2018, Directors of the Company purchased $412,500 convertible debentures of the Company (Note 12).

<u>Performance Shares</u>

The company has issued performance shares to a director. As of December 31, 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 $212,349 for the year ended December 31, 2017 (2017 - $nil) 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 (the "Royalty Company") 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 was 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.

During the year ended December 31, 2018 the Company entered into a share exchange agreement with 1022313 B.C. LTD (the Royalty Company) whereby the Company has agreed to acquire all of the issued and outstanding capital of the Royalty Company in exchange for the issuance of 19,999,998 class A common shares of the Company with the fair value of the shares of $1,000,000.

Since, the Royalty Company had no inputs, processes and outputs, the acquisition of the shares does not represent a business combination in accordance with IFRS 3. Due to this fact, the acquisition was accounted as asset acquisition. Since the royalty agreement acquired from the Royalty Company is based on the Company's own revenues it was determined that this contingent asset had no value and therefore it was recognized as a loss on settlement of debt with the exchange agreement for $1,000,000 during the year ended December 31, 2018.

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, 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.

On April 18, 2019, the Company issued 8,424,943 class A common shares for an effective 100% ownership and control of the Affiliate company as a result of the cashless exercise of pre-existing warrants by a 40% independent shareholder and investor in the Affiliate company. The shares are subject to an escrow agreement, with incremental releases over a 36-month period.

12. Outstanding Share Data

As at the date of this MD&A, the Company had 112,542,295 class A common shares, 62,950,011 share purchase warrants and 7,750,000 stock options outstanding. The Company also has $2,832,500 principal amount of convertible debentures outstanding, which if converted would result in the issuance of 56,650,000.

13. Risk Factors

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

14. 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.

Accounting Standards and Amendments Issued but Not Yet Adopted

The Company has not early adopted any new or renewed standard including any of the consequential amendments thereto which are effective January 1, 2019 and thereafter. The following standard is applicable to future years:

IFRS 16 Leases

In January 2016, the IASB issued IFRS 16 - Leases which replaces IAS 17 - Leases and its associated interpretative guidance. IFRS 16 applies a control model to the identification of leases, distinguishing between a lease and a service contract on the basis of whether the customer controls the asset being leased. For those assets determined to meet the definition of a lease, IFRS 16 introduces significant changes to the accounting by lessees, introducing a single, on-balance sheet accounting model that is similar to current finance lease accounting, with limited exceptions for short-term leases or leases of low value assets. Lessor accounting remains similar to current accounting practice. The standard is effective for annual periods beginning on or after January 1, 2019. Management is currently assessing the impact of this accounting standard.

15. Subsequent Events

On January 18, 2019, 500,000 incentive stock options, exercisable at a price of $0.05 per share, were granted to a director of the Company, 40% vesting in 12 months from the grant date; 30% vesting 24 months from the grant date; and 30% vesting 36 months from the grant date. The options expire on November 23, 2023.

On January 23, 2019, the Company entered into an Asset Purchase Agreement with Raytroniks to acquire the Scoot-E brand. Pursuant to the terms of the agreement, the Company issued 18,240,000 class A common shares to Raytroniks. The Company also issued 912,000 shares as a finder's fee. The shares are subject to vesting and escrow provisions.

On January 23, 2019, the Company entered into an agreement for financial marketing services. The term of the agreement is three years and the aggregate cost if US $250,000.

On February 15, 2019, $100,000 of debentures and $2,247 in accrued interest were converted at a conversion price of $0.05 and $0.11 respectively resulting in the issuance of 2,020,423 class A common shares.

On March 5, 2019, $15,000 of debentures and $403 in accrued interest were converted at a conversion price of $0.05 and $0.09 respectively resulting in the issuance of 1,054,474 class A common shares.

On March 15, 2019, 450,000 five-year incentive stock options, exercisable at a price of $0.11 per Share, were granted to employees of the Company, 40% vesting in 12 months from the grant date; 30% vesting 24 months from the grant date; and 30% vesting 36 months from the grant date.

On April 18, 2019, the Company issued 8,424,943 class A common shares for an effective 100% ownership and control of the Affiliate company (Note 10) as a result of the cashless exercise of pre-existing warrants by a 40% independent shareholder and investor in the Affiliate company. The shares are subject to an escrow agreement, with incremental releases over a 36-month period.

On April 18, 2019, $250,000 of debentures and $9,521 in accrued interest were converted at a conversion price of $0.05 and $0.11 respectively resulting in the issuance of 5,086,550 class A common shares.

16. 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.