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**VPN TECHNOLOGIES INC.**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**FOR THE YEAR ENDED JUNE 30, 2021**  
**DATED March 23, 2022**

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**Disclosure Regarding Forward-Looking Statements**

This Management's Discussion and Analysis contains forward-looking statements that include risks and uncertainties that are disclosed under the section Risk Factors. Other factors that could affect actual results are uncertainties pertaining to government regulations, both domestic as well as foreign, and the changes within the capital markets. Other risks may be disclosed from time to time in VPN Technologies Inc.'s (formerly "Subscribe Technologies Inc.") public disclosures.

Unless otherwise indicated, in this Management's Discussion and Analysis ("**MD&A**") all references to "**dollar**" or the use of the symbol "\$" are to the Canadian Dollar.

The preparation of the financial statements are in conformity with International Financial Reporting Standards ("**IFRS**") and requires management to make assumptions that affect the reported amounts of assets, liabilities and expenses in addition to the disclosure of contingent liabilities at the date of the financial statements and reporting amounts. VPN Technologies Inc. (the "**Company**") bases its estimates on historical experience, current trends and various other assumptions that are believed to be reasonable under the circumstances. Actual results could differ and will most likely differ from those estimates.

## **Overview**

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This management discussion and analysis ("MDA"), prepared on March 23, 2022 covers the operations of VPN Technologies Inc. ("VPN" or the "Company") for the year ended June 30, 2021. All monetary amounts referred to herein are in Canadian dollars unless otherwise stated. The MDA should be read in conjunction with the Company's audited consolidated financial statements for the year ended June 30, 2021. The accompanying financial statements are prepared in accordance with International Financial Reporting Standards ("**IFRS**"). The financial statements together with this MDA are intended to provide investors with a reasonable basis for assessing the financial performance of the Company. Additional information related to the Company is available for viewing on SEDAR at [www.sedar.com](http://www.sedar.com) or the Company website at [www.vpntech.ca](http://www.vpntech.ca).

## **Description of Business**

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The Corporation was incorporated under the laws of Ontario on September 13, 2010. On January 11, 2017, the Company changed its name from Surrey Capital Corp. to Subscribe Technologies Inc and on February 28, 2020 to VPN Technologies Inc. The Company trades on the CSE under the symbol VPN.

VPN Technologies Inc. develops and acquires Software as a Service ("**SAAS**") businesses and in turn operates, manages and markets the service.

During March 2020, the World Health Organization declared COVID-19 a global pandemic. The contagious disease outbreak and any related adverse public health developments, has adversely affected workforces, economies, and financial markets globally, leading to an economic downturn. The impact on the Company is not currently determinable, but management continues to monitor the situation.

## **Investment in Intellectual Assets**

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On December 15, 2014, the Company signed a Letter of Intent ("**LOI**") with Mobilman Management Inc. ("**MM**"), whereby the Company would acquire a 100% interest in MM.

The acquisition of MM by the Company closed on June 30, 2015, concurrently with the acquisition the common shares of the Company were voluntarily delisted from the TSXV on that day with the resumption of trading on the Canadian Securities Exchange ("**CSE**") on July 2, 2015. Furthermore, in order to simplify the financial reporting of the new structure, the Company changed its fiscal year end to June 30 in order to coincide with that of MM.

To acquire MM, the Company issued 1,815,113 common shares for 100% of MM as well raised \$43,350 via the issuance of 43,335 common shares and settled \$176,520 in related party obligations to MM's initial shareholders via the issuance of 176,519 common shares of the Company.

MM, whose assets were located in Quebec, was incorporated on May 30, 2013, pursuant to the laws of the Canada Business Corporations Act, and operates as a developer of Software as a Service ("**SaaS**") for use by businesses with mobile work forces. MM's objective was to develop a management reporting system that would allow companies to more efficiently manage their mobile workforce as well as improve their ability to report to their clients as to the progress made on assigned tasks on one or more projects in real time. The application, "Mobilman", permits users to access via the Cloud hosted service while in the field utilizing their internet connected Smartphone, tablet or laptop computer.

MM released its initial Beta version of Mobilman in April 2015 and continued to release subsequent Beta versions with commercial launch occurring in January 2016.

Businesses were able to sign up at no costs, as MM sought to gain market acceptance and increased user knowledge in order to improve the product.

MM initially targeted small companies with less than 50 employees that seek to benefit from administrative cost reduction, better resource allocation, enhanced internal controls and improved corporate governance.

While received some positive feedback from industry participants over the first few months of marketing, Management carried out an impairment assessment as required under IFRS policies. The result of this assessment, confirmed that there is potential for this application. However additional investment funds would be required in marketing and development which the Company did not have available. Therefore, under IFRS rules, the Audit Committee recommended to the Board of Directors a write down of the value of the intellectual asset investment in MM to a nominal amount of \$1,000. This write down was recorded in fiscal 2016.

#### About software as a service (SaaS)

Software as a service is a fast-emerging, cloud-based, on-line business model allowing companies to offer their unique software services and scale their customer bases exponentially, around the world, from any location.

#### About Gingerly

Gingerly is a cloud-based business management suite and dashboard offering a growing portfolio of a la carte business management applications for solopreneurs and small- and medium-sized enterprises.

### Results of Operations

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For the year ended June 30, 2021, the Company recorded a loss of \$1,047,008 (2020 - \$579,204) and had a cash and cash equivalents balance as at June 30, 2021 of \$1,046,417 (June 30, 2020 - \$2,114), with working capital/(deficiency) of \$947,968 (June 30, 2020 – (\$108,261)).

### Selected Annual Information

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The following is the Company's selected annual information for the preceding three fiscal years:

June 30,	2021	2020	2019
Net revenues	\$ 13,765	\$ 25,327	\$ 11,400
Net loss	1,047,008	579,204	965,258
Total assets	1,098,667	35,114	143,030
Long term liabilities	Nil	Nil	Nil
Loss per share	0.05	0.07	0.20
Cash dividends per share	0.00	0.00	0.00

For further audited financial information, please refer to the Company's audited financial statements that have been filed on SEDAR

## Summary of Quarter Results

The following is a summary of selected financial information compiled from the quarterly interim unaudited financial statements for the eight quarters ending June 30, 2021:

	<i>Three months ended</i>			
	<i>June 30, 2021</i>	<i>March 31, 2021</i>	<i>December 31, 2020</i>	<i>September 30, 2020</i>
	<i>-\$-</i>	<i>-\$-</i>	<i>-\$-</i>	<i>-\$-</i>
Total assets	1,098,667	1,151,266	19,826	26,270
Working capital (deficiency)	947,968	995,878	(424,587)	(128,342)
Shareholders' equity (deficiency)	947,968	1,004,428	(408,087)	(103,592)
Net loss for the period	(414,187)	(299,995)	(304,495)	(28,331)
Loss per share	(0.01)	(0.01)	(0.00)	(0.00)

  

	<i>Three months ended</i>			
	<i>June 30, 2020</i>	<i>March 31, 2020</i>	<i>December 31, 2019</i>	<i>September 30, 2019</i>
	<i>-\$-</i>	<i>-\$-</i>	<i>-\$-</i>	<i>-\$-</i>
Total assets	35,114	115,404	136,537	218,448
Working capital (deficiency)	(108,261)	(18,444)	18,234	(117,099)
Shareholders' equity (deficiency)	(75,261)	45,442	94,095	(29,263)
Net loss for the period	(177,008)	(136,542)	(66,392)	(199,262)
Loss per share	(0.01)	(0.01)	(0.01)	(0.04)

### Year Ended June 30, 2021

For the year ended June 30, 2021, net loss increased to \$1,047,008 (2020 - \$579,204). This change is primarily attributable to an increase in consulting fees and stock-based compensation due to the granting of options. The decrease was a result of ongoing business in the prior year.

### Year Ended June 30, 2020

For the year ended June 30, 2020, net loss decreased to \$579,204 (2019 - \$965,258). This change is primarily attributable to a decrease in advertising and promotion and consulting fees. The decrease was a result of ongoing business in the prior year.

## Liquidity

As at June 30, 2021, the Company had a cash balance of \$1,046,417 (June 30, 2020- \$2,114), with working capital/(deficiency) of \$947,968 (June 30, 2020- (\$108,261)).

Cash flows used in/for operating activities for the year ended June 30, 2021, were \$206,652 (2020 - \$222,677) for cash expenditures on general business and administrative expenses, consulting fees, business and product development, and professional fees.

On November 15, 2019, the Company completed a share consolidation on the basis of one (1) new common share for every ten (10) old common shares held (the "Consolidation").

The Consolidation was approved by the board of directors of the Company on November 4, 2019. As a result of the Consolidation, the 58,039,189 common shares which were issued and outstanding were reduced to approximately 5,803,920 common shares. Each fractional common share equal to or greater than 0.5 common shares will be rounded up to the nearest whole common share and each fractional common share less than 0.5 common shares will be rounded down to the nearest whole common share.

In January 2018, the Company completed a private placement and raised gross proceeds of \$500,000, of which \$150,000 was received prior to December 31, 2017. The Company issued 1 million units at a price of \$0.50 per unit. Each unit consisted of one common share and one share purchase warrant. Each warrant can be converted into a common share at a price of \$0.10 for an eighteen months period after the closing. The Company paid cash finder's fees of \$31,200 and issued 624,000 finder's warrants with the same terms in connection with the private placement.

The Company's ability to meet its obligations and maintain its current operations is contingent upon successful completion of additional financing arrangements and/or commercialization of its intellectual assets.

On August 16, 2019 the Company closed a non-brokered private placement of 1,074,092 units at price of \$0.22 per unit, for gross proceeds of \$236,300. Each unit consisted of one common share and one common share purchase warrant, each warrant entitling the holder to acquire one additional common share of the Company at a price of \$0.50 per warrant share until August 16, 2020.

On November 20, 2019, the Company issued 3,795,000 common shares (the "Shares") of the Company for past services performed (the "Shares for Services"), in lieu of cash, to certain related parties of the Company, totaling approximately \$189,750. The Shares issued are subject to a four month hold period.

On January 17, 2020, the Company issued 540,000 common shares of the Company for past services performed, in lieu of cash, to a director of the Company at a deemed price of \$0.05 per Share, totaling approximately \$27,000. The Shares issued will be subject to a four month hold period.

On February 3, 2020, the Company granted incentive stock options to purchase a total of 750,000 common shares at an exercise price of \$0.075 per share for a period of five years to certain directors, officers and consultants in accordance with the provisions of its stock option plan.

On May 14, 2020, the Company granted incentive stock options to purchase a total of 200,000 common shares at an exercise price of \$0.10 per share for a period of two years to a consultant in accordance with the provisions of its stock option plan.

On February 22, 2021 the Company closed a non-brokered private placement of 19,197,430 units at price of \$0.07 per unit, for gross proceeds of \$1,343,820, of which \$15,500 has not been received as at June 30, 2021 and is included in subscription receivable. The amounts have been subsequently received. Each unit consisted of one common share and one common share purchase warrant, each warrant entitling the holder to acquire one additional common share of the Company at a price of \$0.10 per warrant share until February 22, 2023. In connection with the financing, the Company paid financing costs of \$85,680 and issued 1,224,000 finder's warrants exercisable into common shares at a price of \$0.10 for a period of two year from the date of issuance.

On February 22, 2021 Company issued 6,221,430 units at price of \$0.07 per unit, in settlement of amounts owing by the Company totaling \$435,500. Each unit consisted of one common share and one common share purchase warrant, each warrant entitling the holder to acquire one additional common share of the Company at a price of \$0.10 per warrant share until February 22, 2023. Paul Dickson, President, CEO and a director of the Company received 1,000,000 units through his company, Basic Corporate Services Ltd., and Christopher P. Cherry received 500,000 Shares through his company, Cherry Consulting Ltd.

On February 1, 2021, the Company issued 250,000 common shares pursuant to the exercise of stock options, in exchange for accounts payable of \$18,750.

On May 14, 2021 Company granted incentive stock options to purchase a total of 2,000,000 common shares at an exercise price of \$0.195 per share for a period of two years to certain directors, officers and consultants in accordance with the provisions of its stock option plan.

In addition to its cash on hand at the end of the quarter, the Company currently has the following options and warrants issued and outstanding:

Quantity	Type	Exercise Price	Expiry Dates
500,000	Incentive Stock Options	0.075	February 3, 2025
200,000	Incentive Stock Options	0.10	May 14, 2022
2,000,000	Incentive Stock Options	0.195	May 14, 2023
26,642,860	Warrants	0.10	February 22 2023

## Capital Resources

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The Company is committed to building out a Software-As-A-Service (“SAAS”) company with multiple streams of revenue derived from the subscription-based business model.

Management may still seek to raise additional funds to accelerate development and growth of the business until such time as cash flow from the operations is sufficient to fund internal growth as well as working capital. The timing and ability of the Company to fulfill this objective will depend on the liquidity of the financial markets as well as the willingness of investors to finance such a business and MM’s ability to sign up new customers. Such future financing may be completed by the issuance of the Company’s securities as mentioned previously.

To date, the Company completed the following financings and stock issuances:

Date	Gross Proceeds	Number of Common Shares	Type of Transaction
June 30, 2015	N/A	762,800	Acquisition of Surrey
June 30, 2015	46,666	169,686	Private Placement
June 30, 2015	6,666	24,241	Private Placement
June 30, 2015	76,668	164,521	Private Placement
June 30, 2015	176,520	176,520	Debt Settlement
December 15, 2016	201,000	670,000	Private Placement
December 15, 2016	60,000	200,000	Share issued for asset
January 18, 2017	96,000	320,000	Private Placement
January 9, 2018	500,000	1,000,000	Private Placement
April, 2018	150,000	100,000	Private Placement
June 28, 2018	600,000	750,000	Private Placement
August 16, 2019	236,300	1,074,091	Private Placement
November 20, 2019	189,750	3,795,000	Share for service
January 17, 2020	27,000	540,000	Share for service
February 22, 2021	1,343,820	19,197,430	Private Placement
February 22, 2021	435,500	6,221,430	Share for service

## Off-Balance Sheet Arrangements

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As of the date of this MD&A, the Company does not have any off-balance sheet arrangements that have, or are reasonably likely to have, a current or future effect on the results of operations or financial condition of the Company including, without limitation, such considerations as liquidity and capital resources that have not previously been discussed.

## Transactions With Related Parties

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Amounts due from and to the related parties, are a result of transactions with entities controlled by shareholders, officers or directors of the Company. These amounts, other than the long-term obligation, are non-interest bearing, unsecured and not subject to specific terms of repayment unless stated.

The Company incurred the following expenses charged by key management personnel and companies controlled by key management personnel, such personnel include the Company’s Directors, Chief Executive Officer, Chief Financial Officer and Corporate Secretary:

	2021	2020
Consulting fees charged by directors, officers and corporations under their control	\$ 141,963	\$ 153,700
Stock based compensation	205,762	40,648
Professional fees	52,303	-
General and administrative expense	-	1,800
<b>Total</b>	<b>\$ 400,028</b>	<b>\$ 196,148</b>

Key management personnel were not paid any post-employment benefits, termination benefits, or other long-term benefits during the respective years.

Included in accounts payable and accrued liabilities is \$27,200 (June 30, 2020 - \$38,250) due to corporation controlled by an officer and directors of the Company.

On November 20, 2019, the Company issued 3,795,000 common shares of the Company to certain related parties of the Company at a value of \$0.05 per Share, totalling \$189,750. Paul Dickson, President, CEO and a director of the Company received 1,900,000 Shares through his company, Basic Corporate Services Ltd., Harvey Dick, a director of the Company received 1,300,000 Shares and Christopher P. Cherry received 595,000 Shares through his company, Cherry Consulting Ltd.

On January 16, 2020, the Company issued 540,000 common shares of the Company at a value of \$0.05 per common share to Harvey Dick, a director of the Company.

On February 3, 2020, Company granted incentive stock options to purchase a total of 1,000,000 common shares at an exercise price of \$0.075 per share for a period of five years to certain directors, officers and consultants in accordance with the provisions of its stock option plan. The fair value of the options granted is \$60,889 based on the Black-Scholes option pricing model.

On February 22, 2021 Company issued 6,221,430 units at price of \$0.07 per unit, in settlement of amounts owing by the Company totalling \$435,500. Each unit consisted of one common share and one common share purchase warrant, each warrant entitling the holder to acquire one additional common share of the Company at a price of \$0.10 per warrant share until February 22, 2023. Paul Dickson, President, CEO and a director of the Company received 1,000,000 units through his company, Basic Corporate Services Ltd., and Christopher P. Cherry received 500,000 Shares through his company, Cherry Consulting Ltd.

On November 20, 2019, the Company issued 3,795,000 common shares (the "Shares") of the Company for past services performed (the "Shares for Services"), to certain related parties of the Company at a value of \$189,750. Paul Dickson, President, CEO and a director of the Company received 1,900,000 Shares through his company, Basic Corporate Services Ltd., Harvey Dick, a director of the Company received 1,300,000 Shares and Christopher P. Cherry received 595,000 Shares through his company, Cherry Consulting Ltd.

On January 16, 2020, the Company issued 540,000 common shares of the Company at a value of \$27,000 per common share for past services performed (the "Shares for Services"), to Harvey Dick, a director of the Company.

On February 3, 2020, Company granted incentive stock options to purchase a total of 750,000 common shares at an exercise price of \$0.075 per share for a period of five years to certain directors, officers and consultants in accordance with the provisions of its stock option plan. The fair value of the options granted is \$40,648 based on the Black-Scholes option pricing model.

On February 22, 2021 Company issued 6,221,430 units at price of \$0.07 per unit, to past consulting and other services provided to the Company totaling \$435,500. Each unit consisted of one common share and one common share purchase warrant, each warrant entitling the holder to acquire one additional common share of the Company at a price of \$0.10 per warrant share until February 22, 2023. Paul Dickson, President, CEO and a director of the Company received 1,000,000 units through his company, Basic Corporate Services Ltd., and Christopher P. Cherry received 500,000 Shares through his company, Cherry Consulting Ltd.

## **Risk Factors**

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The following risk factors relate to the Company's activities subsequent to the completion of its acquisition of MM. These risks to which the Company is now subject to have been previously disclosed within the Company's filing statement made available to all shareholders, prior to providing the Company with their approval to proceed with the MM or any future acquisition, as well as on the regulator's web site, [www.SEDAR.com](http://www.SEDAR.com).

An investment in the securities of the Company is subject to a number of risks, including those described below that could have a material adverse effect upon, among other things, the operating results, earnings, business prospects and condition (financial or otherwise) of the Issuer. A prospective purchaser of such securities should carefully consider the risk factors set out below before making a decision to purchase securities of the Issuer. The risks described herein are not the only risk factors facing the Issuer and should not be considered exhaustive. Additional risks and uncertainties not currently known to the Issuer, or that

the Issuer currently considers immaterial, may also materially and adversely affect the business, operations and condition (financial or otherwise) of the Issuer.

*The Company's operating results may fluctuate in future periods, which may adversely affect its stock price.*

The Company's operating results have been in the past, and will continue to be, subject to quarterly and annual fluctuations as a result of numerous factors, some of which may contribute to more pronounced fluctuations in an uncertain global economic environment.

These factors may include:

- Fluctuations in demand for the Company's services, especially with respect to Internet businesses, in part due to changes in the global economic environment;
- Changes in sales and implementation cycles for the Company's services and reduced visibility into its customers' spending plans and associated revenue;
- The Company's ability to maintain appropriate service levels and purchase commitments;
- Price and service competition in the telecommunications industry, which can change rapidly due to technological innovation and different business models from various geographic regions;
- The overall movement toward industry consolidation among both the Company's competitors and its customers;
- The introduction and market acceptance of new technologies and products and the Company's success in new and evolving markets, as well as the adoption of new business and technical standards;
- Variations in sales channels, service costs, or mix of products sold;
- The timing, size, and mix of orders from customers;
- Fluctuations in the Company's gross margins, and the factors that contribute to such fluctuations, as described herein;  
The ability of the Company's customers, channel partners, subcontractors and suppliers to obtain financing or to fund capital expenditures, especially during a period of global credit market disruption or in the event of customer, channel partner, subcontractors or supplier financial problems;

Actual events, circumstances, outcomes, and amounts differing from judgments, assumptions, and estimates used in determining the values of certain assets (including the amounts of related valuation allowances), liabilities, and other items reflected in the Company's consolidated financial statements;

How well the Company executes on its strategy and operating plans and the impact of changes in the Company's business model that could result in significant restructuring charges;

Changes in tax laws or accounting rules, or interpretations thereof.

As a consequence, operating results for a particular future period are difficult to predict, and, therefore, prior results are not necessarily indicative of results to be expected in future periods.

Any of the foregoing factors, or any other factors discussed elsewhere herein, could have a material adverse effect on the Company's business, results of operations, and financial condition that could adversely affect its stock price.

*The Company's operating results may be adversely affected by unfavourable economic and market conditions and the uncertain geopolitical environment.*

Challenging economic conditions worldwide have from time to time contributed, and may continue to contribute, to slowdowns in the Company niche industries which the Company's client operate within, as well as in specific segments and markets in which the Company operates, resulting in:

- Reduced demand for the Company's services as a result of continued constraints on spending by its customers, particularly trades related service providers, and other customer markets as well.
- Increased price competition for the Company's services as a result of increased competitive offerings from new entrants into the same market space.
- Inability to hire or retain the necessary technical talent.
- Higher than expected operating costs due to competition for key technical resources from other IT industries operating in the same region.
- Higher overhead costs as a percentage of revenue and higher interest expense.



- The global macroeconomic environment and recovery in Europe may affect the Company's ability to expand into the European markets.
- The downturn has been challenging and inconsistent and does not appear to be over.
- Instability in the global credit markets, the recent impact of the presidential elections in the U.S.A., the impact of uncertainty regarding the U.S. federal budget, raises in mortgage rates, tapering of bond purchases by the U.S. Federal Reserve, the instability in the geopolitical environment in many parts of the world and other disruptions may continue to put pressure on global economic conditions and may adversely affect demand from construction related industries.
- If global economic and market conditions, or economic conditions in key markets, remain uncertain or deteriorate further, the Issuer may experience material impacts on our business, operating results, and financial condition.
- Disruption of or changes in the Company's revenue model could harm its sales and margins. If the Company fails to manage its channels, or if its preferred sales partners financial condition or operations weaken, its revenue and gross margins could be adversely affected.

A portion of the Company's products and services may be sold through its channel partners, and the remainder sold through direct sales. The Issuer's channel partners may include systems integrators, service providers, other resellers, and distributors. Systems integrators and service providers typically sell directly to end users and often provide system installation, technical support, professional services, and other support services in addition to network equipment sales. Systems integrators also typically integrate products into an overall solution, and a number of service providers are also systems integrators.

Revenue from distributors is generally recognized based on user activations, but in some specialty markets may be done via a sell-through method using information provided by the channel partner. These channel partners may be given business terms that allow them to receive credits for changes in selling prices, and participate in various cooperative marketing programs. If sales through indirect channels increase, this may lead to greater difficulty in forecasting the mix of products and, to a degree, the timing of orders from the Company's customers.

There can be no assurance that changes in the balance of the Issuer's distribution model in future periods would not have an adverse effect on its gross margins and profitability.

Some factors could result in disruption of or changes in the Issuer's distribution model, which could harm its sales and margins, including the following:

- The Company competes with some of its channel partners, including through its direct sales, which may lead these channel partners to use other suppliers that do not directly sell their own products or otherwise compete with them;
- Some of the Company's channel partners may demand that it absorb a greater share of the risks that their customers may ask them to bear;
- Some of the Company's channel partners may have insufficient financial resources and may not be able to withstand changes and challenges in business conditions;
- Revenue from indirect sales could suffer if the Company's distributors' financial condition or operations weaken;
- The Company changes its distribution model to that of a freemium model which would have an impact of revenues;

*The Company's may in the future develop new or add on products that require the stocking of some inventory. Inventory management relating to sales to its two-tier distribution channel would be more complex than the current direct sales model, and excess inventory may harm the Company's gross margins.*

The Company must manage its inventory relating to sales to its distributors effectively, because inventory held by the Company could affect its results of operations.

The Company's distributors, if such distributors sign up, may increase orders during periods of product shortages, cancel orders if their inventory is too high, or delay orders in anticipation of new products.

Distributors may adjust their orders in response to the supply of the Company's products and the products of its competitors that are available to them, and in response to seasonal fluctuations in end-user demand.

Revenue to the Company's distributors may be recognized based on a sell-through method using information provided by them, and they are generally given business terms that allow them to return a portion of inventory, receive credits for changes in selling price, and participate in various cooperative marketing programs.

If the Company ultimately determines that it has excess inventory, it may have to reduce its prices and write down inventory, which in turn could result in lower gross margins.

Supply chain issues, including financial problems of contract manufacturers or vendors or key infrastructure suppliers, may increase the Issuer's costs or cause a delay in its ability to fulfill orders,

Failure to estimate customer demand properly and to scale resources in a timely fashion may result in inadequate performance of key services, which could adversely affect the Company's gross margins.

The fact that the Company does not own or operate or control the quality of or availability of the cellular phone infrastructure that it is reliant on to deliver its services and products to its end-user customers could have an adverse impact on the supply of its products and on its business and operating results.

Any financial problems of either its IT infrastructure suppliers or cellular services providers could either limit the Company's ability to supply its services or increase costs.

The Company relies on computing devices to access, manage and develop its software and deliver its services. A cyber-attack, malware, software virus, power outage, or other event that renders a computer inoperative or limits or blocks access to the internet infrastructure may result in the loss of key data or code, a delay in development or even the corruption of the software such that the Company cannot provide services it has contracted to deliver.

Hacks or denial of service attacks against infrastructure or resources used by the Company, either directly owned and operated by the Company, or purchased from or provided by third parties, could have an adverse impact on the Company's ability to deliver services and its business and operating results.

The Company provides software as a service (SaaS) as its primary revenue generating service offering. To develop and operate such services the Company uses third party development environments, services and software platforms. Any defects, bugs, zero day exploits, Trojans, denial of service attacks or other defects or cyber-attack exploits in these third party platforms and services may cause disruptions including:

- Complete unavailability of the Company's service offerings or portions of the service offering for an indeterminate period of time.
- Delay in delivery of new features or functionality
- Exposure of the Issuer or client data to unauthorized third parties.

Any of which could adversely affect the Company's ability to generate revenues and or conduct its business

- Changes in the costs of the delivery chain including portions used by and paid for by the end-user such as cell phone access to end user devices may adversely affect the market for the Company's services.
- Defects in the hardware, software or operating system of third party services may adversely affect the Company's ability to deliver services and or collect payment for services delivered but not received by end-user.

The Company's growth depends upon market acceptance of its products, its ability to enhance its existing products, and its ability to introduce new products on a timely basis. The Company intends to continue to address the need to develop new products and enhance existing products through acquisitions of other companies, enhancing product development processes, adoption of new or improved technologies, and adding personnel.

*The Company expects it will make acquisitions that could disrupt its operations and harm its operating results.*

Acquisitions involve numerous risks, including the following:

- Difficulties in integrating the operations, systems, technologies, products, and personnel of the acquired companies, particularly companies with large and widespread operations and/or complex products;
- Diversion of management's attention from normal daily operations of the business and the challenges of managing larger and more widespread operations resulting from acquisitions;
- Difficulties in entering markets in which the Issuer has no or limited direct prior experience and where competitors in such markets have stronger market positions;
- Initial dependence on unfamiliar supply chains or relatively small supply partners;
- Insufficient revenue to offset increased expenses associated with acquisitions;
- The potential loss of key employees, customers, distributors, vendors and other business partners of the companies the Issuer acquires following and continuing after announcement of acquisition plans.

Acquisitions may also cause the Company to:

- Issue common stock that would dilute its current shareholders' percentage ownership;
- Use a substantial portion of its cash resources, or incur debt
- Significantly increase its interest expense, leverage and debt service requirements if the Company incurs additional debt to pay for an acquisition;
- Assume liabilities;
- Record goodwill and non-amortizable intangible assets that are subject to impairment testing on a regular basis and potential periodic impairment charges;
- Incur amortization expenses related to certain intangible assets;
- Incur large and immediate write-offs and restructuring and other related expenses.

Mergers and acquisitions of high-technology companies are inherently risky and subject to many factors outside of the Company's control, and no assurance can be given that its previous or future acquisitions will be successful and will not materially adversely affect its business, operating results, or financial condition.

Failure to manage and successfully integrate acquisitions could materially harm the Company's business and operating results. Even when an acquired company has already developed and marketed products, there can be no assurance that product enhancements will be made in a timely fashion or that pre-acquisition due diligence will have identified all possible issues that might arise with respect to such products.

*If the Company raises additional financing, the terms of such transactions may cause dilution to existing shareholders or contain terms that are not favourable to the company.*

In the future, the Company may seek to raise additional financing through private placements or public offerings of its equity or debt securities. The Company cannot be certain that additional funding will be available on acceptable terms, or at all.

To the extent that the Company raises additional funds by issuing equity securities, shareholders may experience significant dilution.

Given that the Company does not expect to have any significant revenues in the immediate future, it is unlikely that it will be able to raise a significant amount of debt financing or such financing may have an equity component.

Also, any debt financing, if available, may require the Company to pledge its assets as collateral or involve restrictive covenants, such as limitations on its ability to incur additional indebtedness, limitations on its ability to acquire or license intellectual property rights and other operating restrictions that could negatively impact its ability to conduct its business.

General conditions in the capital markets as well as conditions that particularly effect software as a service (SaaS) companies could also impact the company's ability to raise additional funds.

In addition, the Company cannot guarantee that future financing will be available in sufficient amounts or on terms acceptable to it, if at all. If the Issuer is unable to raise additional capital in sufficient amounts or

on terms acceptable to it, it will be prevented from pursuing its research and development efforts. This could harm the business, prospects and financial condition and cause the price of the securities to fall, or to cause the Company to cease operations.

If the Company fails to attract and retain key management and sales personnel, it may be unable to successfully develop or commercialize its product candidates.

The Company will need to expand and effectively manage its managerial, operational, financial, development and other resources in order to grow organically.

The Company's success depends on its continued ability to attract, retain and motivate highly qualified management, sales personnel, including its key management personnel.

The loss of the services of any of its senior management could impact its sales. At this time, the Company does not have "key man" insurance policies on the lives of any of its employees or consultants.

In addition, the Company's advisors may have arrangements with other companies to assist those companies in developing products or technologies that may potentially compete with the Company's products or technologies.

All of its advisors and consultants sign agreements with the Company, which includes provisions for: confidentiality; non-disclosure; intellectual property rights; and non-competes covering its intellectual property and other proprietary information. However, these are only enforceable to the extent allowed by local laws.

The Company will need to hire additional personnel as it continues to expand its development activities. The Company may not be able to attract or retain qualified management and sales or technical personnel in the future due to the intense competition for qualified personnel among software and hardware businesses. If it is not able to attract and retain the necessary personnel to accomplish its business objectives, it may experience constraints that will impede significantly the achievement of its development objectives, its ability to raise additional capital and its ability to implement its business strategy.

In particular, if the Company loses any members of its senior management team, it may not be able to find suitable replacements in a timely fashion or at all and its business may be harmed as a result.

If the Company is unable to develop its sales and marketing and distribution capability on its own or through collaborations with marketing partners, it will not be successful in commercializing its product candidates.

The Company currently does not have a marketing staff or a sales or distribution organization.

The Company currently has limited internal telemarketing, sales or distribution capabilities and plans to rely on third party telemarketing as well as web based direct sales. Ineffectual implementation of either the website or telemarketing campaigns either by the issuer or its third-party partners can have an adverse effect on the Company's ability to sell.

In the future the Company may establish a sales and marketing organization with technical expertise and supporting distribution capabilities to commercialize its product and services, which will be expensive and time consuming. Any failure or delay in the development of internal sales, marketing and distribution capabilities would adversely impact the commercialization of these product candidates.

If the Company is unable to enter into such arrangements on acceptable terms or at all, it may not be able to successfully commercialize its existing and future product candidates.

The Company may choose to collaborate with third parties that have direct sales forces and established distribution systems, either to augment its own sales force and distribution systems or in lieu of its own sales force and distribution systems. To the extent that the Company enters into co-promotion or other licensing arrangements, its product revenue is likely to be lower than if it directly marketed or sold its products, when and if it has any.

In addition, any revenue it receives will depend in whole or in part upon the efforts of such third parties, which may not be successful and will generally not be within its control. If the Company is unable to enter into such arrangements on acceptable terms or at all, it may not be able to successfully commercialize its existing and future product candidates.

If the Company is not successful in commercializing its existing and future product candidates, either on its own or through collaborations with one or more third parties, the Company's future product revenue will suffer and the Company may incur significant additional losses.

### **Critical Accounting Estimates**

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The Company's financial statements are impacted by the accounting policies used, as well as the estimates and assumptions made by management during their preparation. The Company's accounting policies are described within the financial statements filed on SEDAR and incorporated by reference. The accounting estimates considered to be significant to the Company include the value of warrants issued, charitable stock options and share-based compensation expense and recovery of deferred income tax assets as well as the impairment assessment of its intellectual property.

### **Changes in Accounting Policies**

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The Company would like to direct readers to its audited financial statements for the year ending June 30, 2021 which are incorporated by reference and can be found on the regulator's web site at [www.sedar.com](http://www.sedar.com).

### **Financial Instruments and Other Instruments**

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The Company is not a party to any financial instruments and other instruments as defined in item 1.14 of National Instrument 51-102F1 – Management's Discussion and Analysis.

### **Capital Structure**

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The Company is authorized to issue an unlimited number of common shares, where each common share provides the holder with one vote. As of the date of this report, there were 35,807,780 common shares issued and outstanding as well as 26,662,860 warrants at an exercisable price of \$0.10 to February 22, 2023 and 200,000 stock options at an exercisable price of \$0.10 to May 14, 2022 and 500,000 stock options at an exercisable price of \$0.075 to February 3, 2025 and 2,000,000 stock options at an exercisable price of \$0.195 to May 14, 2023.

### **Other MD&A Requirements**

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As defined in National Instrument 52-109 – Certification of Disclosure in Issuers' Annual and Interim Filings, requires that controls and other procedures be designed to provide reasonable assurance that material information required to be disclosed is duly gathered and reported to senior management in order to permit timely decisions and timely and accurate public disclosure.

The Company has evaluated the effectiveness of its disclosure controls and procedures, as defined, and has concluded that they were effective as of the end of the period covered by this MD&A as well as of the date of this MD&A.

The Company has evaluated its internal controls and financial reporting procedures and have found them to be effective with the objective of reporting the Company's financial transactions.