

Globalive Technology Inc.

Management Discussion and Analysis (Quarterly Highlights)

For the period from July 1, 2019 to September 30, 2019

Dated: November 19, 2019

This management discussion and analysis quarterly highlights (the “MD&A”) provides a quarterly update on the financial condition and results of operations of Globalive Technology Inc. (“GT” or the “Company”) for the period from July 1, 2019 to September 30, 2019 (the “Financial Period”) and is provided as of November 19, 2019 (the “MD&A Date”). This MD&A should be read in conjunction with the Company’s financial statements for the Financial Period (the “Financial Statements”), the Company’s management discussion & analysis for the previously completed financial year dated April 11, 2019 (the “FYE MD&A”), the Company’s filing statement dated May 29, 2018 (the “Filing Statement”) and the Company’s management discussion and analysis quarterly highlights for the periods from January 1, 2019 to March 31, 2019 and from April 1, 2019 to June 30, 2019 (collectively, the “Previous Highlights”), all of which are incorporated by reference into this MD&A.

The Financial Statements are prepared in accordance with International Financial Reporting Standards (“IFRS”). All amounts presented are stated in Canadian dollars, unless otherwise indicated.

PART I - FORWARD-LOOKING STATEMENTS

Certain statements contained in this MD&A constitute “forward-looking statements”, including but not limited to statements about the Company’s conditional and discretionary call and first refusal rights with respect to a potential business acquisition, the possibility of negotiating a business combination involving the Company, the expected value of certain of the Company’s debt and equity investments, and statements about the Company’s short and medium term working capital requirements. These statements relate to future events or the Company’s future performance. All statements other than statements of historical fact, including those identified above, may be forward-looking statements.

Forward-looking statements are often, but not always, identified using words such as “may”, “would”, “could”, “can be”, “whether”, “will”, “if”, “considering”, “potential”, “preliminary”, “continues to”, “subject to”, “anticipate”, “in the future”, “believes”, “in the process”, “estimate”, “expect to”, “expected to” and similar expressions. These statements involve known and unknown risks, uncertainties and other factors that may cause actual results or events to differ materially from those anticipated in such forward-looking statements. The Company believes that the expectations reflected in these forward-looking statements are reasonable, but no assurance can be given that these expectations will prove to be correct and such forward-looking statements should not be unduly relied upon by investors as actual results may vary. These statements speak as of the MD&A Date and are expressly qualified, in their entirety, by this cautionary statement. The Company’s actual results could differ materially from those anticipated in these forward-looking statements as a result of various risk factors, including but not limited to a breakdown in the Company’s relationship and/or negotiations with its strategic and transactional partners, difficulties or delays in raising the necessary financing to complete a transaction, an inability to satisfy the conditions precedent to a transaction, economic conditions affecting the Company or its transaction partners, the inability to negotiate exclusivity for a possible transaction, competition from third parties with an interest in working with the Company’s transaction partners, a transaction not resulting in the expected economic or other benefits for the Company, difficulties or delays in negotiating or consummating a transaction, changes to the value of the assets underlying the Company’s secured loans and other investment assets, changes to the Company’s strategic plan and other risks as set out in the FYE MD&A and the Filing Statement.

PART II - INTRODUCTION

GT was formed on June 8, 2018, by the amalgamation of Globalive Technology Partners Inc. (“GTP”) and Corporate Catalyst Acquisition Inc. (“CCA”). Its registered and records offices are located at East Tower, Bay Adelaide Centre, 22 Adelaide Street West, Suite 3400, Toronto, Ontario, M5H 4E3, and its head office is located at 48 Yonge Street, Suite 1200, Toronto, Ontario, M5E 1G6.

PART III - OPERATING HIGHLIGHTS

Key operating milestones and developments since the Previous Highlights are as follows:

- **Interest in FLX Holding Corp. (“FLX”) and Flexiti Financial Inc. (“Flexiti”):** On January 9, 2019 and February 20, 2019, the Company announced it is exercising its call right to acquire 2629331 Ontario Inc. (“262 Ontario”), the controlling shareholder of FLX, under a put, call and right of first refusal agreement dated June 21, 2018 (the “Put/Call Agreement”), subject to certain conditions precedent, including the Company’s satisfaction that adequate financing can be obtained to fund FLX and Flexiti. The Company has continued to work with FLX, Flexiti and their stakeholders throughout the Financial Period to see if these conditions can be satisfied. Further to an announcement made on September 13, 2019, the Company is also considering, in addition or in the alternative to the exercise of the call right, negotiating a business combination transaction

that would result in the Company owning all or a substantial portion of the common equity of Flexiti on terms acceptable to the parties and their respective stakeholders. The negotiation and implementation of such a business combination is now the Company's primary focus in relation to Flexiti, however, those negotiations are still preliminary and there can be no assurance that such a transaction, or even an agreement relating to such a transaction, will be reached.

- ***Blockchain and Cryptocurrency Ventures:*** The Company has substantially ceased its active operations in the blockchain and cryptocurrency space. During the Financial Period the Company sold its interest in Globalive BIG Dev Inc. ("GBD"), its business venture with Business Instincts Group Inc. ("BIG"), to BIG and took back a debenture from BIG in the principal amount of \$1,250,000.
- ***Investments:*** The Company has made and continues to make strategic investments in existing and potential future collaborators and other strategic partners. During the Financial Period the Company allocated a small amount of capital into Civic Resource Group International Inc. and fulfilled its second \$250,000 USD (\$331,125 CAD) commitment to invest in the University of Toronto Creative Destruction Labs Blockchain and Artificial Intelligence Fund. After the Financial Period but prior to the MD&A Date, the Company also invested a small amount of capital into Acorn Biolabs, Inc. The details of these investments and their valuations are described in the Financial Statements.

PART IV - LIQUIDITY AND CAPITAL RESOURCES

Non-IFRS Financial Measures

This MD&A, the Previous Highlights, the FYE MD&A and the Filing Statement each make use of a non-IFRS financial measure, "working capital", that does not have any standardized meaning prescribed by IFRS and may not be comparable to similar measures presented by other companies. Working capital consists of current assets minus investments minus current liabilities plus promissory notes. Working capital excludes any digital assets and investments. For a more detailed explanation of management's approach to working capital and the risks and uncertainties of using this financial measure to evaluate the Company's performance, please see the FYE MD&A and the Filing Statement.

Cash Balance and Working Capital

As at September 30, 2019, the Company had a cash balance of \$9,432,854 and working capital of \$9,399,539 available to fund the Company's operations. Working capital is reconciled to the amounts in the Unaudited Condensed Interim Consolidated Statements of Financial Position as at September 30, June 30 and March 31, 2019 and December 31, September 30, June 30 and February 28, 2018 as follows:

	Sept 30, 2019	Jun 30, 2019	Mar 31, 2019	Dec 31, 2018	Sept 30, 2018	Jun 30, 2018	Feb 28, 2018
Current Assets	21,498,682	20,961,237	24,093,321	29,170,674	40,966,871	44,547,540	10,118,699
Less: Investments	(11,985,727)	(13,799,291)	(14,516,954)	(14,578,112)	(15,217,037)	(15,463,695)	(8,675,001)
	9,512,955	7,161,946	9,576,367	14,592,562	25,749,834	29,066,712	1,443,698
Less: Current Liabilities	(113,416)	(344,712)	(652,311)	(1,046,334)	(381,077)	(248,492)	(996,012)
Plus: Promissory Note	-	-	-	-	-	-	750,000
	(113,416)	(344,712)	(652,311)	(1,046,334)	(381,077)	(248,492)	(246,012)
Working Capital	9,399,539	6,817,234	8,924,056	13,546,228	25,368,757	28,834,853	1,197,686

The Company currently generates cash primarily by raising equity capital. Management believes that this will provide enough liquidity to support the Company's objective to capitalize on the creation of business ventures with collaborators and will support the Company's normal working capital needs during the next 12 months of operation.

PART V - PERFORMANCE

Review of Operations and Financial Results

During the Financial Period, the Company recorded a consolidated gain of \$941,103:

	Sept 30, 2019	Jun 30, 2019	Mar 31, 2019	Dec 31, 2018	Sept 30, 2018	Jun 30, 2018	Feb 28, 2018
Investments at estimated fair market	16,407,718	17,683,698	26,457,575	23,525,866	15,872,735	16,770,265	9,721,977
Investments at cost	26,203,041	27,634,674	29,221,038	27,235,228	18,660,561	17,803,653	2,832,844
Unrealized gain (loss) from investments	(9,795,323)	(9,950,976)	(2,763,463)	(3,709,362)	(2,787,826)	(1,033,388)	6,889,133
Realized / unrealized gain (loss) from investments held at fair value through profit or loss	1,465,768	(8,768,873)	(163,688)	(921,536)	(1,754,438)	(7,922,521)	
Equity pickup from investments in associates	-	-	-	(30,641)	(43,006)	(43,328)	
Revenues	-	-	-	240,850	376,938	55,979	
Other income	-	-	540,125	587,202	144,245	46,372	
Other losses	230,730	(802,277)	(18,902)	(3,457,032)	-	-	
Total Gain	1,696,498	(9,571,150)	357,535	(3,581,157)	(1,276,261)	(7,863,498)	

Total gains for the Financial Period totaled \$1,696,498, resulting primarily from the realization of one of the Company's private equity investments for a gain of \$1,310,116 and the disposition of the Company's interest in GBD for a gain of \$183,978. Other sources of gains included minor increases in the value of some of the Company's investments, and interest paid on the Company's cash held in interest bearing accounts.

Consolidated expenditures for the Financial Period totaled \$804,582. The most material expenses incurred by the Company during the Financial Period were standard operating expenses, including salaries and wages of \$399,393 (not including the Chief Executive Officer's net salary for the Financial Period, which was paid in shares as per the arrangement approved at the Company's recent annual general meeting), a non-cash employee share based compensation of \$230,099, professional fees of \$110,065 and general office and administration expenses of \$58,904.

PART VI - FINANCIAL HIGHLIGHTS

A summary of selected financial information for the periods from (i) December 7, 2017 to February 28, 2018, (ii) March 1, 2018 to June 30, 2018, (iii) July 1, 2018 to September 30, 2018, (iv) October 1, 2018 to December 31, 2018, (v) January 1, 2019 to March 31, 2019, (vi) April 1, 2019 to June 30, 2019, and (vii) July 1, 2019 to September 30, 2019 are as follows:

Statement of Income and Comprehensive income:	Sept 30, 2019	Jun 30, 2019	Mar 31, 2019	Dec 31, 2018	Sept 30, 2018	Jun 30, 2018	Feb 28, 2018
(in thousands of dollars)							
Total income (loss)	1,696	(9,571)	358	(3,582)	(1,276)	(7,863)	6,889
Operating expenses	(805)	(1,429)	(2,066)	(6,050)	(3,586)	(2,254)	(457)
Net income (loss) before taxes	892	(11,000)	(1,708)	(9,631)	(4,862)	(10,118)	6,432
Deferred income tax recovery (expense)	-	-	-	-	-	913	(913)

Net income after taxes	892	(11,000)	(1,708)	(9,631)	(4,862)	(9,205)	5,519
Net income (loss) from discontinued operation	-	5	(490)	-	-	-	-
Net income (loss) and comprehensive income (loss) for the period	892	(10,995)	(2,198)	(9,631)	(4,862)	(9,205)	5,519
Earnings per share from continuing operations for the period:							
(in dollars)							
Basic	0.007	(0.079)	(0.012)	(0.05)	(0.03)	(0.11)	0.15
Diluted	0.007	(0.079)	(0.012)	(0.05)	(0.03)	(0.11)	0.13
Earnings per share:							
(in dollars)							
Basic	0.007	(0.079)	(0.016)	(0.05)	(0.03)	(0.11)	0.15
Diluted	0.007	(0.079)	(0.016)	(0.05)	(0.03)	(0.11)	0.13
Statement of Financial Position:							
(in thousands of dollars)							
Working capital	9,400	6,817	8,924	13,546	25,369	28,835	1,198
Total Assets	25,925	24,858	36,099	38,311	46,111	50,467	12,480
Total Liabilities	113	345	652	1,046	381	248	1,909

PART VII - COMMITMENTS AND CONTINGENCIES:

The Company does not have any material commitments or contingencies.

PART VIII - FINANCIAL INSTRUMENTS AND OTHER INSTRUMENTS

As of the end of the Financial Period, the Company's financial instruments include cash, investments at fair value through profit or loss, other receivables, accounts payables, accrued liabilities and its rights under the Put/Call Agreement, which gives it the right (and obligation) to acquire all of the shares of 262 Ontario in certain circumstances, and on certain terms and conditions. For fair value determinations, in addition to the estimation of fair value of financial instruments as described below, please refer to note 7 of the Financial Statements.

As of the end of the Financial Period, the fair value of cash, other receivables, prepaid expenses and accounts payables and accrued liabilities approximated their carrying value due to their short-term nature.

As of the end of the Financial Period, the Company carried investments in certain technology companies the Company views as potential collaborators and strategic partners. These securities are classified as fair value through profit or loss. Please refer to notes 6 and 7 of the Financial Statements for more information.

The Company obtained a third-party valuation to estimate the value of its rights and obligations under the Put/Call Agreement mentioned in Part III above. Please refer to notes 4 and 7 of the Financial Statements for more information.

PART IX - FINANCIAL RISKS

As of the MD&A Date, there have been no material changes to the financial risks identified in the FYE MD&A and the Filing Statement.

PART X - RELATED PARTY TRANSACTIONS

During the Financial Period, the Company did not participate in any material related party transactions.

PART XI - SHARE CAPITAL

As at the end of the Financial Period, the Company's authorized number of common shares was unlimited without par value, while the Company's number of issued common shares as of same date was 138,277,872 common shares. After the end of the Financial Period, but prior to the MD&A Date, the Company issued a further 631,023 common shares to its Chief Executive Officer in satisfaction of his net salary for the Financial Period in accordance with the compensation regime approved at the Company's annual general meeting on June 20, 2019.

The Company has not declared or paid any dividends or distributions on its common shares to date. The payments of dividends or distributions in the future are dependent on the Company's earnings, financial condition and such other factors as the board of directors considers appropriate. The Company currently does not anticipate paying any dividends in the foreseeable future.

On June 28, 2019, the Company filed articles of amendment to create a new class of preferred share, issuable in series, with characteristics to be determined by the board of directors from time to time. As at the MD&A Date, no preferred shares have been issued.

PART XII - ADDITIONAL INFORMATION:

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