Globalive Technology Inc.

Management Discussion and Analysis
(Quarterly Highlights)

For the period from April 1, 2020 to June 30, 2020

Dated: August 27, 2020

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 April 1, 2020 to June 30, 2020 (the "**Reporting Period**") and is provided as of August 27, 2020 (the "**MD&A Date**"). This MD&A should be read in conjunction with the Company's financial statements for the three- and six-month periods ended June 30, 2020 (the "**Financial Statements**") and the Company's management discussion & analysis for the previously completed financial year dated April 14, 2020 (the "**FYE MD&A**") and for the first quarter of 2020 dated May 28, 2020 (the "**Prior 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.

The Company completed a consolidation of its common shares on June 30, 2020, with shareholders exchanging 20 pre-consolidation common shares for 1 post-consolidation common share (the "**Share Consolidation**"). In this MD&A, any reference to a number of shares, a share price or any calculation based on the foregoing values for any period prior to June 30, 2020 has been retroactively adjusted to take into account this Share Consolidation. These adjusted values are by necessity approximations and may not fully account for any rounding or truncating that occurred before or as a result of the Share Consolidation to avoid issuing fractional shares of the Company.

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 business and strategic plans; existing and potential future business relationships; expectations for future business and financial trends; expectations regarding future dividends and distributions; existing and potential future transactional opportunities, including the proposed reverse take-over transaction with Socati Corp. or with Socati Corp. and Yooma Corp.; the commercial terms of any proposed transactions; the availability of adequate financing for the Company, its transactional partners and the entities that it has made investments in; the Company's expected future performance, revenues, expenses, losses and operations; expected performance of the technology companies that the Company has invested in; statements about the Company's short and medium term working capital requirements; and statements about the potential effect of the COVID-19 pandemic and the response of governments, regulators, businesses and customers to the pandemic on the foregoing matters. 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", "could", "can be", "will", "if", "potential", "continues to", "subject to", "anticipate", "in the future", "believes", "estimated", "estimates", "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 changes to the Company's business focus or strategic plan; changes in market and industry conditions; unexpected operating gains or losses; management's assessment of the viability of different businesses and business partners; a breakdown in the Company's relationship with its existing or potential future business venture and transactional partners and investee companies; changes in the Company's management and employees; the availability of future transactional opportunities; the negotiation of definitive documents and the satisfaction of the conditions precedent to completing any existing business or transactional opportunities, including the proposed reverse take-over transaction with Socati or with Socati and Yooma; the availability of adequate financing and regulatory, shareholder and third-party approvals for the Company, its transactional partners and other entities that the Company has made investments in; other parties seeking to acquire an interest in the Company, Socati, Yooma or entities that the Company has made investments in; difficulties or delays in the development of new technologies; technologies not functioning as expected; third parties not using technologies and services as expected; economic conditions making certain technologies, businesses or services less attractive than anticipated; competitors in the industry; the COVID-19 pandemic and the response of governments, regulators, businesses and customers to the pandemic impacting on the value and performance of the Company's business partners and investee technology companies, the timing and viability of existing transactional opportunities and the availability of future transactional opportunities, the availability of financing, business interruptions due to illness, work-from home policies or supply chain disruptions, and other risks as set out in the FYE MD&A, the Prior MD&A and the Financial Statements.

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 during the Reporting Period and up to the MD&A Date include:

- ***<u>Reverse Take-Over Transaction:</u>*** On June 3, 2020, the Company entered into a binding letter of intent with Socati Corp. ("**Socati**") to complete a reverse take-over transaction whereby the Company will acquire all of the issued and outstanding securities of Socati, valued in aggregate at US $25,000,000, in exchange for common shares of the Company. Socati is a leading processor of THC-free broad-spectrum hemp extracts and ingredients for use in cannabinoid products. On July 13, 2020, after the end of the Reporting Period but prior to the MD&A Date, the Company entered into a second binding letter of intent with Yooma Corp. ("**Yooma**") to complete a reverse take-over transaction whereby the Company will acquire all of the issued and outstanding securities of Yooma, valued in aggregate at US $25,000,000, in exchange for common shares of the Company. Yooma operates an Asia-focused social commerce company with particular depth in the Chinese e-commerce market. It is a condition of the Yooma transaction that the Socati transaction also closes, such that the final reverse take-over transaction (the "**RTO Transaction**") is contemplated to be one with either Socati alone, or with both Socati and Yooma.

  The details of the RTO Transaction are described in press releases issued by the Company on June 4, 2020 and on July 13, 2020 (the "**RTO Press Releases**"), and copies of the binding letters of intent (the "**RTO Letters**") have been posted on SEDAR at www.sedar.com. Some of the material, high-level features of the RTO Transaction are expected to be as follows:

  - The Company will purchase all of the issued and outstanding securities of Socati, or of Socati and Yooma, at valuations of US $25,000,000 for each company. The purchase price will be paid in common shares of the Company issued at a share price equal to: (i) US $500,000, plus (ii) the value of any cash left in the Company on closing, currently estimated to be US $4,500,000, divided by (iii) the total number of issued and outstanding common shares of the Company immediately prior to closing.

  - The Company's existing business, assets and liabilities, including its technology venture subsidiaries, any intellectual property, and some or all of its technology investments (the "**Legacy Assets**") will be transferred to a third-party with the value of the Legacy Assets captured or distributed to the shareholders of the Company immediately prior to closing the RTO Transaction.

  - The Company, Socati and/or Yooma may complete an equity financing of up to US $5,000,000 to close concurrently with the RTO Transaction.

  - On completion of the RTO Transaction, the resulting issuer will carry on the business of Socati, or of Socati and Yooma, under a new name and management team.

- The RTO Transaction is subject to a number of conditions precedent, including but not limited to the Company continuing to be listed on the TSX Venture Exchange; director and shareholder approval of each entity involved in the RTO Transaction; receipt of any necessary regulatory and third-party approvals or consents; no material adverse change in the business of any of the entities participating in the RTO Transaction; the Company holding cash and cash-equivalents on closing of no less than US $4,500,000; the completion of certain pre-closing matters including the transfer of the Legacy Assets; and other conditions typical for a transaction of this nature.

Concurrently with the initial announcement of the RTO Transaction, a trading halt was imposed on the Company's common shares which will remain in place until the Company is able to disclose certain prescribed details about the RTO Transaction, the anticipated resulting issuer and any concurrent financing. The Company, Socati and Yooma are working diligently to negotiate and implement definitive agreements for the RTO Transaction and to provide the required disclosure and will update the public through a press release as soon as reasonably possible.

While the RTO Letters are binding, there can be no assurance at this time that the RTO Transaction will be completed or that it will be completed on the terms described in this MD&A, the RTO Press Releases and the RTO Letters. Investors are cautioned that, except as disclosed in any management information circular or filing statement prepared in connection with the RTO Transaction, any information released or received with respect to the RTO Transaction may not be accurate or complete and should not be relied upon. Trading in the Company's securities in anticipation of the RTO should be considered highly speculative.

- ***Annual General & Special Meeting:*** The Company held its annual general and special meeting of the shareholders on June 19, 2020. Due to restrictions on the size of public gatherings and social distancing best practices with respect to the COVID-19 pandemic, the meeting was held virtually. At the meeting, the incumbent directors and auditor of the Company were reappointed, the Company's equity incentive plan was ratified and reauthorized for the coming year, the Company was authorized to continue paying its CEO his net-salary quarterly, in arrears, in common shares of the Company through to June 30, 2021 and the Company was authorized to complete the Share Consolidation described above.

- ***Interest in the Flexiti Group:*** The Company holds several debt and equity interests in Flexiti Financial Inc. ("**Flexiti**"), a Canadian point of sale retail lender, its parent company, FLX Holding Corp. ("**FLX**" and together with Flexiti and their affiliates, the "**Flexiti Group**"), and the controlling shareholder of FLX, 2629331 Ontario Inc. ("**262**"). On June 21, 2018, the Company entered into a put, call and right of first refusal agreement (the "**Put/Call Agreement**") pursuant to which the Company could compel (or could be compelled) to acquire and amalgamate with 262 on certain terms and conditions. The Company announced on January 9, 2019 that it was exercising its call right under the Put/Call agreement, subject to certain conditions precedent. Since that time, the Company has worked with the Flexiti Group and its key stakeholders to see if those conditions could be satisfied; has supported the Flexiti Group in its efforts to raise financing to continue to support and grow its business; and has participated in non-binding discussions around a possible business combination or other transaction between the Company and the Flexiti Group, which was ultimately not pursued.

  During the Reporting Period, the put and call rights under the Put/Call Agreement expired without a transaction being completed. The Company continues to hold its debt and equity interests in 262 and the Flexiti Group, some of which have matured and are now incurring late charges, and continues to support their efforts to raise financing to grow the business, including most recently through a financing and sales process lead by a global investment bank.

- ***Investments:*** The Company has made and continues to make strategic investments in existing and potential future collaborators and other technology companies. During the Reporting Period, the Company allocated additional capital into Civic Resources Group International.

- ***Normal Course Issuer Bid:*** The Company launched a normal course issuer bid program ("**NCIB**") to purchase for cancellation up to 5% of its then issued and outstanding common shares (350,145 common shares) by

December 31, 2020. The program was first announced on January 16, 2020 and the Company began making purchases on February 3, 2020. The program is an automatic securities purchase plan, such that the specific timing of any share purchase under the program is determined by the Company's broker in accordance with applicable laws (including a restriction preventing the Company from buying more than 2.0% of its then issued and outstanding common shares in any 30-day period) and standing instructions from management with respect to such matters as maximum price and total funds available for purchases. There can be no assurance as to the precise number of common shares that will be repurchased under the program, or the price at which they will be purchased, and the Company may discontinue purchasing at any time subject to compliance with applicable legal and regulatory requirements. Due to the trading halt imposed on the Company's common shares in connection with the RTO Transaction, no purchasing has occurred under the NCIB since June 3, 2020.

- ***COVID-19 Operational Measures:*** To comply with government regulations and social distancing best practices in light of the COVID-19 pandemic, the Company has temporarily moved to a work-from-home model for all employees. During the Reporting Period and through to the MD&A Date, the Company has continued to receive mail at its head office through a single employee, but has otherwise taken steps to move all physical meetings, including board meetings and the Company's annual general and special meeting of the shareholders, to online platforms and teleconferencing. These operational measures have not significantly impacted the Company's ability to conduct business on a day-to-day basis.

PART IV - LIQUIDITY AND CAPITAL RESOURCES

Non-IFRS Financial Measures

This MD&A, the FYE MD&A and the Prior MD&A 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 current investments minus current liabilities plus promissory notes. Working capital excludes any digital assets and investments. Working capital should not be considered in isolation or as an alternative or substitute from measures prepared in accordance with IFRS (such as Net and Comprehensive Income).

Cash Balance and Working Capital

As at June 30, 2020, the Company had a cash balance of $7,462,240 and working capital of $6,377,125 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 the end of the eight most recently completed quarters as follows:

	Jun 30, 2020	**Mar 31, 2020**	**Dec 31, 2019**	**Sept 30, 2019**	**Jun 30, 2019**	**Mar 31, 2019**	**Dec 31, 2018**	**Sept 30, 2018**
Current Assets	17,668,302	18,367,061	19,903,889	21,498,682	20,961,237	24,093,321	29,170,674	40,966,871
Less: Investments	(10,106,110)	(10,116,987)	(10,986,585)	(11,985,727)	(13,799,291)	(14,516,954)	(14,578,112)	(15,217,037)
	7,562,192	8,250,074	8,917,304	9,512,955	7,161,946	9,576,367	14,592,562	25,749,834
Less: Current Liabilities	(1,185,067)	(1,169,213)	(152,807)	(113,416)	(344,712)	(652,311)	(1,046,334)	(381,077)
Working Capital	**6,377,125**	**7,080,861**	**8,764,497**	**9,399,539**	**6,817,234**	**8,924,056**	**13,546,228**	**25,368,757**

The Company currently generates cash primarily by raising equity capital. Management believes that this will provide enough liquidity to support the Company's existing operations and normal working capital needs for the 12 months following the end of the Reporting Period.

PART V - PERFORMANCE

Review of Operations and Financial Results

The Company's gains and losses before expenses for the most recently completed eight quarters is reflected in the table below:

	Jun 30, 2020	Mar 31, 2020	Dec 31, 2019	Sept 30, 2019	Jun 30, 2019	Mar 31, 2019	Dec 31, 2018	Sept 30, 2018
Investments at estimated fair market	12,357,384	12,013,211	15,283,766	16,407,718	17,683,698	26,457,575	23,525,866	15,872,735
Investments at cost	25,574,302	25,501,992	25,295,152	26,203,041	27,634,674	29,221,038	27,235,228	18,660,561
Cumulative Unrealized gain (loss) from investments	(13,216,918)	(13,488,781)	(10,011,386)	(9,795,323)	(9,950,976)	(2,763,463)	(3,709,362)	(2,787,826)
Realized / unrealized gain (loss) from investments held at fair value through profit or loss	271,828	(3,477,390)	(1,223,952)	1,465,768	(8,768,873)	(163,688)	(921,536)	(1,754,438)
Equity pickup from investments in associates	-	-	-	-	-	-	(30,641)	(43,006)
Revenues	-	-	-	-	-	-	240,850	376,938
Other income	2,871	49,145	-	230,730	-	540,125	587,202	144,245
Other losses	(99,460)	-	(143,942)	-	(802,277)	(18,902)	(3,457,032)	-
Investment and Other Income/Loss before Expenses	175,239	(3,428,245)	(1,367,894)	1,696,498	(9,571,150)	357,535	(3,581,157)	(1,276,261)

During the Reporting Period, the Company recorded a consolidated loss of $456,791. Losses for the Reporting Period were driven primarily by the Company's consolidated expenditures, totaling $632,030 (as compared with $1,488,931 in Q2 2019). The most material expenses incurred by the Company during the Reporting Period were standard operating expenses, including salaries and wages of $346,809 (as compared with $927,352 in Q2 2019), non-cash employee share based compensation of $97,228 (as compared with $121,529 in Q2 2019), professional fees of $141,931 (as compared with $261,331 in Q2 2019) and general office and administration expenses of $42,594 (as compared with $137,022 in Q2 2019). The decrease in expenditures since Q2 2019 is largely the result of reductions in headcount and related operating expenses (professional fees and general and administration expenses) as well as reduced business activities at the Company and a deliberate plan to conserve capital for future use.

Losses during the Reporting Period were partially offset by an unrealized gain from investments held at fair value through profit or loss of $271,828. Starting in Q1 2020, the Company has used the Russel 2000 index to assist in valuing its investments in other technology companies, to be consistent with any increase or decrease in public market valuations of smaller companies relating to the COVID-19 pandemic. In the prior period from January 1, 2020 to March 31, 2020, this resulted in a reduction in the fair value of these investments of $1,441,405. During the Reporting Period, this reduction was partially reversed by an increase in the fair value of these investments of $563,007. The longer-term impact of the COVID-19 pandemic on the financial performance of the Company's investments will depend on future developments, including the duration and spread of the outbreak and related advisories and restrictions. Since December 31, 2019 there has been significant volatility in markets for equity securities, and the uncertainty around the impact of COVID-19 and various government reactions. These events have impacted the fair values of the Company's investments in private companies. As such, uncertainty about judgments, estimates and assumptions made by management during the preparation of the Financial Statements related to potential impacts of the COVID-19 outbreak on the Company's investments could result in a material adjustment to the carrying value of these assets.

FINANCIAL HIGHLIGHTS

A summary of selected financial information for the eight most recently completed quarters is as follows:

Statement of Income and Comprehensive income: (in thousands of dollars)	**Jun 30, 2020**	**Mar 31, 2020**	**Dec 31, 2019**	**Sept 30, 2019**	**Jun 30, 2019**	**Mar 31, 2019**	**Dec 31, 2018**	**Sept 30, 2018**
Investment and other income/loss before expenses	175	(3,428)	(1,368)	1,696	(9,571)	358	(3,582)	(1,276)
Total expenses	(632)	(639)	(850)	(805)	(1,429)	(2,066)	(6,050)	(3,586)
Net income (loss) before taxes for the period	(457)	(4,067)	(2,217)	892	(11,000)	(1,708)	(9,631)	(4,862)
Deferred tax recovery (expense)	-	-	-	-	-	-	-	-
Net income (loss) from continuing operations for the period	(457)	(4,067)	(2,217)	892	(11,000)	(1,708)	(9,631)	(4,862)
Net income (loss) from discontinued operation (attributable to equity holders of the company)	-	-	-	-	5	(490)	-	-
Net income (loss) and comprehensive income (loss) for the period	(457)	(4,067)	(2,217)	892	(10,995)	(2,198)	(9,631)	(4,862)
Earnings per share from continuing operations for the period:								
(in dollars)								
Basic	(0.07)	(0.58)	(0.32)	0.14	(1.59)	(0.24)	(1.31)	(0.66)
Diluted	(0.07)	(0.58)	(0.32)	0.14	(1.59)	(0.24)	(1.31)	(0.66)
Earnings per share:								
(in dollars)								
Basic	(0.07)	(0.58)	(0.32)	0.14	(1.59)	(0.32)	(1.31)	(0.66)
Diluted	(0.07)	(0.58)	(0.32)	0.14	(1.59)	(0.32)	(1.31)	(0.66)
Statement of Financial Position:								
(in thousands of dollars)								
Working capital	6,377	7,081	8,765	9,400	6,817	8,924	13,546	25,369
Total Assets	19,924	20,268	24,206	25,925	24,858	36,099	38,311	46,111
Total Liabilities	1,185	1,169	153	113	345	652	1,046	381

Management does not believe the quarter-by-quarter performance of the Company at this stage of the Company's development reflects any significant longer-term trends. Expenses, revenues, profits, losses, assets, liabilities and cash flow in each of the recent quarters have been determined primarily by one-time investments, transactions and events and are not likely to be indicative of future performance trends (positive or negative). The Company's decision to exit its blockchain and cryptocurrency business ventures in 2019 means that revenues generated by those ventures have not continued into future quarters, and while the capital conservation measures implemented by the Company in 2019 have lead to a significant reduction in overall expenditures over the last year, there can be no guarantee that this reduction will continue into future periods as the Company begins to implement the next phase of its business plan. Furthermore, any quarterly trends are likely be disrupted in any event by the challenges, risks and uncertainties presented by the novel coronavirus pandemic, which began to impact the Company in Q1 2020 and are expected to continue in the short to medium term.

PART VI - COMMITMENTS AND CONTINGENCIES

The Company is authorized to pay its CEO his net-salary quarterly, in arrears, in common shares of the Company during the period from July 1, 2019 through June 30, 2021. This arrangement results in the Company temporarily owing a small amount of capital to the CEO as his net-salary accrues throughout the quarter, which is then settled at the end of the quarter.

PART VII - FINANCIAL INSTRUMENTS AND OTHER INSTRUMENTS

As of the end of the Reporting Period, the Company's financial instruments included cash, investments at fair value through profit or loss, other receivables, accounts payables and accrued liabilities. 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 Reporting 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 Reporting 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 previously obtained a third-party valuation, prepared as at December 31, 2019, to estimate the value of its rights and obligations under the Put/Call Agreement mentioned in Part III above, which were determined to be $nil. The put and call rights under the Put/Call Agreement expired during the Reporting Period without a transaction being concluded, however, as the valuation of these rights was already $nil, no changes to the Financial Statements were warranted as at the end of the Reporting Period. Please refer to notes 4 and 7 of the Financial Statements for more information.

The NCIB implemented by the Company in Q1 2020 is an automatic securities purchase plan and has therefore been recorded as a $1,000,000 liability of the Company in the Financial Statements in accordance with IFRS. Notwithstanding the foregoing, there can be no assurance as to the precise number of common shares that will be repurchased under the program, the price at which they will be purchased or the total amount of money that will be spent by the Company under the NCIB, and the Company may discontinue purchasing at any time subject to compliance with applicable regulatory requirements.

PART VIII - FINANCIAL RISKS

Except as explained below, as of the MD&A Date there have been no material changes to the financial risks (or the potential impact of COVID-19 on those risks) identified in the FYE MD&A and the Prior MD&A. The Company continues to assess the impact of the COVID-19 pandemic, and the response of governments, regulators, businesses and customers, on its operations, investments, prospective transactions and business ventures. As at the MD&A Date, the pandemic has resulted in a significant decline in global securities markets and heightened volatility which are expected to increase price risk for the Company in the short to medium term, as well as a significant decline in the value of the Canadian dollar against USD and GBP which has increased the Company's exposure to currency risk in the short to medium term. The pandemic has also impacted the fair values of the Company's investments in private companies, though the extent of the future impact cannot be fully determined at this time. If the financial markets and/or the overall economy are impacted for an extended period, the Company's investment results may be adversely affected.

PART IX - RELATED PARTY TRANSACTIONS

The Company is authorized to pay its CEO his net-salary quarterly, in arrears, in common shares of the Company during the period from July 1, 2019 through June 30, 2021. Notwithstanding the foregoing arrangement, due to TSX Venture Exchange rules and the trading halt on the Company's shares imposed in connection with the announcement of the RTO Transaction, the Company paid its CEO his net salary for the period from April 1, 2020 to June 30, 2020 in cash, rather than in shares.

PART X - SHARE CAPITAL

As at the end of the Reporting Period and the MD&A Date, the Company's authorized number of common shares was unlimited without par value, while the Company's number of issued and outstanding common shares as of same date was 6,977,073 common shares, with an additional 14,582 restricted share units for common shares of the Company that have vested but have not yet been settled.

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 XI - ADDITIONAL INFORMATION:

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