FORM 5

QUARTERLY LISTING STATEMENT

Name of Listed Issuer: **VPN Technologies Inc.** (the "Issuer").

Trading Symbol: **VPN**

This Quarterly Listing Statement must be posted on or before the day on which the Issuer's unaudited interim financial statements are to be filed under the *Securities* Act, or, if no interim statements are required to be filed for the quarter, within 60 days of the end of the Issuer's first, second and third fiscal quarters. This statement is not intended to replace the Issuer's obligation to separately report material information forthwith upon the information becoming known to management or to post the forms required by the Exchange Policies. If material information became known and was reported during the preceding quarter to which this statement relates, management is encouraged to also make reference in this statement to the material information, the news release date and the posting date on the Exchange website.

General Instructions

(a) Prepare this Quarterly Listing Statement using the format set out below. The sequence of questions must not be altered nor should questions be omitted or left unanswered. The answers to the following items must be in narrative form. When the answer to any item is negative or not applicable to the Issuer, state it in a sentence. The title to each item must precede the answer.

(b) The term "Issuer" includes the Listed Issuer and any of its subsidiaries.

(c) Terms used and not defined in this form are defined or interpreted in Policy 1 – Interpretation and General Provisions.

There are three schedules which must be attached to this report as follows:

SCHEDULE A: FINANCIAL STATEMENTS

Financial statements are required as follows:

For the first, second and third financial quarters interim financial statements prepared in accordance with the requirements under Ontario securities law must be attached.

If the Issuer is exempt from filing certain interim financial statements, give the date of the exempting order.

SCHEDULE B: SUPPLEMENTARY INFORMATION

The supplementary information set out below must be provided when not included in Schedule A.

1. Related party transactions

Provide disclosure of all transactions with a Related Person, including those previously disclosed on Form 10. Include in the disclosure the following information about the transactions with Related Persons:

See Note 10 to interim financial statements for six months ended December 31, 2019.

(a) A description of the relationship between the transacting parties. Be as precise as possible in this description of the relationship. Terms such as affiliate, associate or related company without further clarifying details are not sufficient.

(b) A description of the transaction(s), including those for which no amount has been recorded.

(c) The recorded amount of the transactions classified by financial statement category.

(d) The amounts due to or from Related Persons and the terms and conditions relating thereto.

(e) Contractual obligations with Related Persons, separate from other contractual obligations.

(f) Contingencies involving Related Persons, separate from other contingencies.

2. Summary of securities issued and options granted during the period.

Provide the following information for the period beginning on the date of the last Listing Statement (Form 2A):

(a) summary of securities issued during the period,

Date of Issue	Type of Security (common shares, convertible debentures, etc.)	Type of Issue (private placement, public offering, exercise of warrants, etc.)	Number	Price	Total Proceeds	Type of Consideration (cash, property, etc.)	Describe relationship of Person with Issuer (indicate if Related Person)	Commission Paid
N/A								
Total:								

(b) summary of options granted during the period,

Date	Number	Name of Optionee if Related Person and relationship	Generic description of other Optionees	Exercise Price	Expiry Date	Market Price on date of Grant
N/A						
Total:						

3. **Summary of securities as at the end of the reporting period. <u>See Schedule A</u>**

Provide the following information in tabular format as at the end of the reporting period:

(a) description of authorized share capital including number of shares for each class, dividend rates on preferred shares and whether or not cumulative, redemption and conversion provisions,

Description	Number Authorized	Par Value
Common shares	Unlimited	NPV

(b) number and recorded value for shares issued and outstanding,

Description	Number Issued & Outstanding	Amount
Common shares	9,598,920	$2,598,804

(c) description of options, warrants and convertible securities outstanding, including number or amount, exercise or conversion price and expiry date, and any recorded value, and

Description	Number Outstanding	Exercise Price	Expiry Date
N/A			
Total Options:			
Warrants	100,000	$2.50	Apr. 6/20
Warrants	1,074,091	$0.50	Aug. 16/20
Warrants	32,000	$0.50	Aug. 16/20
Warrants	750,000	$1.40	Jun. 28/21
Warrants	20,000	$1.00	Dec. 29/21
Total Warrants:	**1,976,091**		
Total Options and Warrants:	**1,976,091**		

(a) number of shares in each class of shares subject to escrow or pooling agreements or any other restriction on transfer.

Description	Number Held in Escrow	Number Released During the Period
Common shares	Nil	Nil

4. **List the names of the directors and officers, with an indication of the position(s) held, as at the date this report is signed and filed.**

Name	Positions Held	Since
Paul E. Dickson	President, CEO and director	Dec. 15/16
Christopher P. Cherry	CFO Director	Dec. 21/16 Nov. 8/18
Harvey D. Dick	Director	Dec. 15/16

SCHEDULE C: MANAGEMENT DISCUSSION AND ANALYSIS

Provide Interim MD&A if required by applicable securities legislation.

Certificate Of Compliance

The undersigned hereby certifies that:

1. The undersigned is a director and/or senior officer of the Issuer and has been duly authorized by a resolution of the board of directors of the Issuer to sign this Quarterly Listing Statement.

2. As of the date hereof there is no material information concerning the Issuer which has not been publicly disclosed.

3. The undersigned hereby certifies to the Exchange that the Issuer is in compliance with the requirements of applicable securities legislation (as such term is defined in National Instrument 14-101) and all Exchange Requirements (as defined in CNSX Policy 1).

4. All of the information in this Form 5 Quarterly Listing Statement is true.

Dated March 5, 2020.

Paul Dickson
Name of Director or Senior Officer

"Paul Dickson"
Signature

President and CEO
Official Capacity

Issuer Details Name of Issuer VPN Technologies Inc.	For Quarter Ended December 31, 2019	Date of Report YY/MM/D 20/03/05
Issuer Address 804-750 West Pender Street		
City/Province/Postal Code Vancouver, BC V6C 2T7	Issuer Fax No. 604.685.6905	Issuer Telephone No. 778.775.7297
Contact Name Paul Dickson	Contact Position President and CEO	Contact Telephone No. As above
Contact Email Address admin@subscribetech.com	Web Site Address www.vpntech.ca	

SUBSCRIBE TECHNOLOLGIES INC.

CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
(Unaudited - Expressed in Canadian Dollars)

DECEMBER 31, 2019

NOTICE TO READER

Under National Instrument 51-102, Part 4, subsection 4.3 (3) (a), if an auditor has not performed a review of the condensed interim consolidated financial statements, they must be accompanied by a notice indicating that the financial statements have not been reviewed by an auditor.

The accompanying unaudited condensed interim consolidated financial statements of Subscribe Technologies Inc. ("**Corporation**") have been prepared by and are the responsibility of the Corporation's management.

The Corporation's independent auditor has not performed a review of these unaudited condensed interim consolidated financial statements in accordance with standards established by the Canadian Institute of Chartered Professional Accountants of Canada (CPA Canada) for a review of interim financial statements by an entity's independent auditor.

SUBSCRIBE TECHNOLOGIES INC.
CONDENSED CONSOLIDATED INTERIM STATEMENTS OF FINANCIAL POSITION
AS AT
(Expressed in Canadian Dollars)

		December 31, 2019		June 30, 2019
ASSETS				
Current				
Cash	$	12,200	$	1,531
Receivables		48,476		41,688
		60,676		43,219
Investment in intellectual assets (Note 4)		75,861		99,811
	$	136,537	$	143,030
LIABILITIES AND SHAREHOLDERS' EQUITY (DEFICIENCY)				
Current				
Accounts payable and accrued liabilities (Note 5,10)	$	42,442	$	196,291
Shareholders' equity (deficiency)				
Share capital (Note 6)		2,598,804		2,186,596
Subscription received (Note 6)		-		6,000
Reserves (Note 7,8)		504,383		497,581
Deficit		(3,009,092)		(2,743,438)
		94,095		(53,261)
	$	136,537	$	143,030

Nature and continuance of operations (Note 1)
Subsequent event (Note 13)

On behalf of the Board:

"Paul Dickson" Director *"Harvey Dick"* Director

The accompanying notes are an integral part of these condensed consolidated interim financial statements.

SUBSCRIBE TECHNOLOGIES INC.
CONDENSED CONSOLIDATED INTERIM STATEMENTS OF LOSS AND COMPREHENSIVE LOSS
(Unaudited - Expressed in Canadian Dollars)

	Three Months Ended December 31, 2019	Three Months Ended December 31, 2018	Six Months Ended December 31, 2019	Six Months Ended December 31, 2018
REVENUE	$ 3,719	$ -	$ 7,187	$ -
EXPENSES				
Advertising and promotion	(2,975)	-	85,962	-
Business development	-	7,200	9,800	25,565
Consulting fees (Note 10)	27,188	137,057	89,688	470,690
Depreciation	11,975	9,152	23,950	18,304
General and administrative (Note 10)	6,093	24,192	9,221	31,764
Product development	3,000	6,539	3,967	8,066
Professional fees	24,830	27,194	50,253	74,827
	(70,111)	(211,334)	(272,841)	(629,216)
Loss from operations	(66,392)	(211,334)	(265,654)	(629,216)
Loss and comprehensive loss for the period	$ (66,392)	$ (211,334)	$ (265,654)	$ (629,216)
Basic and diluted loss per common share	$ (0.01)	$ (0.05)	$ (0.04)	$ (0.15)
Weighted average number of common shares outstanding	7,495,170	4,445,376	6,384,176	4,703,828

The accompanying notes are an integral part of these condensed consolidated interim financial statements.

SUBSCRIBE TECHNOLOGIES INC.
CONDENSED CONSOLIDATED INTERIM STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY
(Unaudited - Expressed in Canadian Dollars)

	Share capital					Total
	Common Shares	**Amount**	**Reserves**	**Subscription Received**	**Deficit**	**Shareholders' Equity**
Balance at June 30, 2018	4,683,828	$ 2,134,736	$ 510,441	$ -	$ (1,778,180)	$ 866,997
Loss for the period	-	-	-	-	(629,216)	(629,216)
Shares issued for acquisition	26,000	26,000	-	-	-	26,000
Exercise of stock options	20,000	13,000	-	-	-	13,000
Balance at December 31, 2018	4,729,828	$ 2,173,736	$ 510,441	$ -	$ (2,407,396)	$ 276,761
Balance at June 30, 2019	4,729,828	$ 2,186,596	$ 497,581	$ 6,000	$ (2,743,438)	$ (53,261)
Loss for the period	-	-	-	-	(265,654)	(265,654)
Subscription received				(6,000)		(6,000)
Shares issued for cash	1,074,092	236,300	-	-	-	236,300
Share issue costs-cash	-	(7,040)	-	-	-	(7,040)
Shares issued for services	3,795,000	189,750	-	-	-	189,750
Share issue costs-warrants	-	(6,802)	6,802	-	-	-
Balance at December 31, 2019	9,598,920	$ 2,598,804	$ 504,383	$ -	$ (3,009,092)	$ 94,095

The accompanying notes are an integral part of these condensed consolidated interim financial statements.

SUBSCRIBE TECHNOLOGIES INC.
CONDENSED CONSOLIDATED INTERIM STATEMENTS OF CASH FLOWS
SIX MONTHS ENDED DECEMBER 31
(Unaudited - Expressed in Canadian Dollars)

	2019	2018
CASH FLOWS USED IN OPERATING ACTIVITIES		
Loss for the year	$ (265,654)	$ (629,216)
Items not affecting cash:		
Depreciation	23,950	18,304
Stock-based compensation	-	-
Changes in non-cash working capital items:		
Receivables	(6,788)	(17,671)
Prepaid expenses	-	95,908
Accounts payable and accrued liabilities	35,901	(21,783)
Net cash used in operating activities	(212,591)	(554,458)
CASH FLOWS USED IN INVESTING ACTIVITIES		
Investment in intellectual asset	-	(40,014)
Net cash used in investing activities	-	(40,014)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds on issuance of share capital	236,300	-
Subscription received	(6,000)	-
Share options exercised	-	13,000
Share issue costs	(7,040)	-
Net cash provided by financing activities	223,260	13,000
Change in cash during the period	10,669	(581,472)
Cash, beginning of year	1,531	668,368
Cash, end of period	$ 12,200	$ 86,896

Supplemental disclosure with respect to cash flows:

The Company did not incur any interest or tax expenditures for fiscal 2019 and 2020

During fiscal 2020, the Company:

i) issued 32,000 finder's warrants at a value of $6,802
ii) issued 3,795,000 common shares for past services performed, in lieu of cash, to certain related parties of the Company at a deemed price of $0.05 per Share, totaling $189,750.

During fiscal 2019, the Company:

i) issued 26,000 common shares at a value of $26,000 for investment in intellectual assets
ii) transfer from reserves to share capital on exercise of options valued at $12,860

The accompanying notes are an integral part of these condensed consolidated interim financial statements

1. NATURE AND CONTINUANCE OF OPERATIONS

Description of the Business

Subscribe Technologies Inc. (the "**Corporation**") was incorporated under the Business Corporations Act (*Ontario*) on September 13, 2010. The Corporation is in the technology business and has one wholly owned subsidiary, Mobilman Management Inc ("**MM**") whose operations and assets are in Quebec. The Corporation's principal offices are located at 700 West Pender Street, Suite 604, Vancouver, BC, V6C 1G8.

Basis of Operations and Going Concern

These consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") applied on a going concern basis, which assumes that the Corporation will be able to realize its assets and discharge its liabilities in the normal course of business rather than through a process of forced liquidation. The Corporation will require additional funding which, if not raised, would result in the curtailment of activities and delays in its ability in becoming self-sufficient. The Corporation had working capital of $18,234 as at December 31, 2019, and has incurred losses since inception, resulting in an accumulated deficit of $3,009,092 as of that date. These material uncertainties may cast significant doubt as to the ability of the Company to continue as a going concern. These financial statements do not reflect adjustments that should be necessary if the "going concern" assumption were not appropriate. If the "going concern" were not appropriate for these financial statements, then adjustments to the carrying value of the assets and liabilities and expenses and the balance sheet classifications which could be material, would be necessary.

2. BASIS OF PRESENTATION

Statement of Compliance

These unaudited condensed consolidated interim financial statements, including comparatives, have been prepared in accordance with International Accounting Standard 34 "Interim Financial Reporting" ("IAS 34") using accounting policies consistent with the International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board ("IASB") and Interpretations of the IFRS Interpretations Committee.

These unaudited condensed consolidated interim financial statements do not include all of the information required of a full annual financial report and is intended to provide users with an update in relation to events and transactions that are significant to an understanding of the changes in financial position and performance of the Company since the end of the last annual reporting period. It is therefore recommended that this financial report be read in conjunction with the audited annual financial statements of the Company for the year ended June 30, 2019.

Approval of the financial statements

The consolidated financial statements of the Company for the six months ended December 31, 2019 were reviewed by the Audit Committee and approved and authorized for issue by the Board of Directors on February 26, 2020.

2. BASIS OF PRESENTATION (continued)

Basis of Consolidation

These consolidated financial statements include the accounts of the Company and its wholly-owned subsidiary MM. Control exists when the Company possesses power over an investee, has exposures to variable returns from the investee and has the ability to use its power over the investee to affect its returns. All intercompany balances and transactions have been eliminated.

New Accounting Standards

The following new standards and amendments to existing standards were not yet effective for the quarter ended December 31, 2019, and have not been applied in preparing these condensed interim consolidated financial statements.

Effective for annual periods beginning on or after January 1, 2019

IFRS 16, *Leases*

IFRS 16 is a new standard that sets out the principles for recognition, measurement, presentation, and disclosure of leases including guidance for both parties to a contract, the lessee and the lessor. The new standard eliminates the classification of leases as either operating or finance leases as is required by IAS 17 and instead introduces a single lessee accounting model.

The Company estimates the impact of this standard on its financial statements to be minimal.

2. BASIS OF PRESENTATION (continued)

Critical Accounting Estimates and Judgements

The preparation of these consolidated financial statements requires management to make certain estimates, judgments and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported expenses during the period. Actual results could differ from these estimates.

Significant assumptions about the future and other sources of estimation uncertainty that management has made at the end of the reporting period, that could result in a material adjustment to the carrying amounts of assets and liabilities in the event that actual results differ from assumptions made, relate to, but are not limited to, the following:

i) The application of the Company's accounting policy for intangible assets requires judgment in determining whether it is likely that future economic benefits will flow to the Company, which may be based on assumptions about future events or circumstances. Estimates and assumptions may change if new information becomes available. At least annually or whenever there is an indicator for impairment management evaluates the recoverable amount. The determination of the recoverable amount requires the use of management's best assessment of the related inputs into the valuation models, such as future cash flows and discount rates. The amortization expense related to intangible assets is determined using estimates of the useful life of the intangible asset.

ii) The recognition of deferred tax assets. The Company considers whether the realization of deferred tax assets is probable in determining whether or not to recognize these deferred tax assets.

iii) Share-based payments are subject to estimation of the value of the award at the date of grant using pricing models such as the Black-Scholes option valuation model. The option valuation model requires the input of highly subjective assumptions including the expected stock price volatility. Because the Company's stock options have characteristics significantly different from those of traded options and because the subjective input assumptions can materially affect the calculated fair value, such value is subject to measurement uncertainty.

3. SIGNIFICANT ACCOUNTING POLICIES

Functional and presentation currency

These consolidated financial statements are presented in Canadian dollars, which is the Corporation's and MM's functional currency.

Intellectual Assets

The Corporation capitalizes development costs of internally generated assets that meet the criteria for capitalization.

Intangibles are stated at cost, net of accumulated amortization and/or accumulated impairment losses, if any. Amortization on an asset does not begin until the asset is available for usage. Amortization is provided using methods outlined below at rates intended to amortize the cost of intangibles less, their estimated residual values, over their estimated useful lives.

Intangibles	Depreciation method and Rate
Core Software	3 years straight line
Computer software	3 years straight line

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Intangibles acquired separately

Intangibles with finite useful lives that are acquired separately are carried at cost less accumulated amortization and accumulated impairment losses. Amortization is recognized on a straight-line basis over their estimated useful lives. The estimated useful life and amortization rate are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis. Intangibles with indefinite useful lives that are acquired separately are carried at cost less accumulated impairment losses.

Internally-generated intangibles

Expenditure on research activities is recognized as an expense in the period in which it is incurred.

Internally-generated intangible assets arising from development (or from the development phase of an internal project) is recognized if, and only if, all of the following have been demonstrated:

- the technical feasibility of completing the intangible asset so that it will be available for use or sale;
- the intention to complete the intangible asset and use or sell it;
- the ability to use or sell the intangible asset;
- how the intangible asset will generate probable future economic benefits;
- the availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset; and
- the ability to measure reliably the expenditure attributable to the intangible asset during its development.

The amount initially recognized for internally-generated intangibles is the sum of the expenditure incurred from the date when the intangibles first meets the recognition criteria listed above. Where no internally-generated intangible asset can be recognized, development expenditure is recognized in profit or loss in the period in which it is incurred.

Subsequent to initial recognition, internally-generated intangibles are reported at cost less accumulated amortization and accumulated impairment losses, on the same basis as intangibles that are acquired separately.

Derecognition of intangibles

An intangible is de-recognized on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible, measured as the difference between the net disposal proceeds and the carrying amount of the intangible, is recognized in profit or loss when the asset is derecognized.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Impairment of tangible and intangible assets other than goodwill

At the end of each reporting period, management reviews the carrying amounts of its assets to determine whether there is any indication of impairment. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). When it is not possible to estimate the recoverable amount of an individual asset, management estimates the recoverable amount of the cash-generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Intangibles with indefinite useful lives and intangibles not yet available for use are tested for impairment at least annually, and whenever there is an indication that the asset may be impaired.

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognized immediately in profit or loss.

If an impairment loss subsequently reverses, the carrying amount of the asset (or a cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognized immediately in profit or loss.

Impairment of non-financial assets

The Corporation's assets are reviewed for indications of impairment at each financial reporting date. If indication of impairment exists, the asset's recoverable amount is estimated.

An impairment loss is recognized when the carrying amount of an asset, or cash-generating unit, exceeds its recoverable amount. A cash-generating unit is the smallest identifiable group of assets that generates cash inflows that largely independent of the cash inflows from other assets or groups of assets. Impairment losses are recognized in profit or loss for the period. Impairment losses recognized in respect of cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to cash generating units and then to reduce the carrying amount of the other assets on a pro-rata basis.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Income Taxes

Income tax expense comprises current and deferred tax. Income tax is recognized in the profit or loss except to the extent it relates to items recognized in other comprehensive income or directly in equity.

Current Income Tax

Current tax is based on the results for the period and adjusted for items that are not taxable or not deductible. Current tax is calculated using tax rates and tax laws that were enacted or substantively enacted at the end of the reporting period. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. Provisions are established where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred Tax

Deferred tax is recognized on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the statement of financial position. Deferred tax is calculated using tax rates and laws that have been enacted or substantively enacted at the end of the reporting period, and which are expected to apply when the related deferred income tax asset is realized or the deferred income tax liability is settled.

Deferred tax liabilities:

- are generally recognized for all taxable temporary differences; and
- are recognized for taxable temporary differences arising on investments in subsidiaries except where the reversal of the temporary difference can be controlled and it is probable that the difference will not reverse in the foreseeable future.

Deferred tax assets:

- are recognized to the extent it is probable that taxable profits will be available against which the deductible temporary differences can be utilized; and
- are reviewed at the end of the reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax assets and liabilities are not recognized in respect of temporary differences that arise upon initial recognition of goodwill or arise on initial recognition of assets and liabilities acquired other than in a business combination where at the time of transaction effects neither accounting profit or taxable income (tax loss).

Earnings (Loss) Per Share

Earnings (loss) per share is calculated by dividing the loss applicable to common shares by the weighted average number of shares outstanding during the year. Diluted earnings (loss) per share is computed by dividing the loss applicable to common shares by the diluted weighted average number of shares which assumes that all outstanding stock options granted with an exercise price below the average market value are exercised during the period. The difference between the number of shares assumed and the number of shares assumed purchased is then included in the denominator of the diluted earnings per share computation. Any warrants or options considered anti-dilutive are not added to the number of shares outstanding.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Financial Instruments

New accounting policies

The Company classifies its' financial assets in the following categories: at fair value through profit or loss ("FVTPL"), at fair value through other comprehensive income ("FVTOCI") or at amortized cost. The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of its financial assets at initial recognition.

Financial assets at FVTPL

Financial assets carried at FVTPL are initially recorded at fair value and transaction costs are expensed in profit or loss. Realized and unrealized gains and losses arising from changes in the fair value of the financial asset held at FVTPL are included in profit or loss in the period in which they arise.

Financial assets at FVTOCI

Investments in equity instruments at FVTOCI are initially recognized at fair value plus transaction costs. Subsequently they are measured at fair value, with gains and losses arising from changes in fair value recognized in other comprehensive income. There is no subsequent reclassification of fair value gains and losses to profit or loss following the derecognition of the investment.

Financial assets at amortized cost

Financial assets at amortized cost are initially recognized at fair value and subsequently carried at amortized cost less any impairment. They are classified as current assets or non-current assets based on their maturity date.

Financial assets are derecognized when they mature or are sold, and substantially all the risks and rewards of ownership have been transferred. Gains and losses on derecognition of financial assets classified as FVTPL or amortized cost are recognized in profit or loss. Gains or losses on financial assets classified as FVTOCI remain within accumulated other comprehensive income.

The Company completed an assessment of its financial instruments as at July 1, 2018. The following table shows the original classification under IAS 39 and the new classification under IFRS 9.

	Original classification under IAS 39	New classification under IFRS 9
Cash	FVTPL	FVTPL
Receivables	Loans and receivables amortized costs	Amortized costs
Accounts payable and accrued liabilities	Other financial liabilities amortized costs	Amortized costs

Impairment of financial assets at amortized cost

The Company recognizes a loss allowance for expected credit losses on financial assets that are measured at amortized cost. At each reporting date, the loss allowance for the financial asset is measured at an amount equal to the lifetime expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition. If at the reporting date, the financial asset has not increased significantly since initial recognition, the loss allowance is measured for the financial asset at an amount equal to twelve month expected credit losses. For trade receivables the Company applies the simplified approach to providing for expected credit losses, which allows the use of a lifetime expected loss provision. Impairment losses on financial assets carried at amortized cost are reversed in subsequent periods if the amount of the loss decreases and the decrease can be objectively related to an event occurring after the impairment was recognized.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Fair Value Hierarchy

The Corporation classifies financial instruments recognized at fair value in accordance with a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy are described below:

> Level 1 – Unadjusted quoted prices in active markets that are accessible at the measurement date for identical, unrestricted assets or liabilities.
>
> Level 2 – Quoted prices in markets that are not active, or inputs that are observable, either directly or indirectly, for substantially the full term of the asset or liability; and
>
> Level 3 – Prices or valuation techniques that require inputs that are both significant to the fair value measurement and unobservable (supported by little or no market activity).

For the years presented, cash is measured at fair value and classified within Level 1 of the fair value hierarchy.

Share-based Payments

Stock options issued by the Corporation are accounted for in accordance with the fair value based method. The fair value of options issued to directors, officers, employees of and consultants to the Corporation is charged to profit or loss over the vesting period of each tranche (graded vesting) with the offsetting amount recorded to reserves. The historical forfeiture rate is also factored in to the calculations. When options are exercised, the amount received together with the amount previously recorded in reserves, are added to share capital. The fair value of warrants issued to agents in conjunction with a public offering is charged to share issue costs with an offsetting amount recorded to reserves. Fair value is measured using the Black-Scholes option-pricing model.

Revenue

Revenue Revenue is recognized at the fair value of consideration received or receivable. Revenue from the sale of goods is recognized in accordance with IFRS 15 Revenue from Contracts with Customers which specifies how and when to recognize revenue and is based on a five-step model as follows:

- Identify the contract(s) with the customer;
- Identify the performance obligations in the contract;
- Determine the transaction price;
- Allocate the transaction price to the performance obligations in the contract;
- Recognize revenue when or as the Company satisfies performance obligations.

Amounts disclosed as revenue are net of allowances, discounts and rebates.

Equity Instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Corporation are recorded at the proceeds received, net of direct issue costs.

(Unaudited - Expressed in Canadian Dollars)

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Warrants

The Corporation measures the fair value of compensatory warrants issued using the Black-Scholes option pricing model. The fair value of each warrant is estimated based on their respective issuance dates taking into account volatility, expected life, the dividend rate, and the risk-free interest rate. The fair value of compensatory warrants issued in conjunction with an offering is charged to share issue costs with an offsetting amount recorded to reserves. The fair value of warrants exercised is recorded as share capital. The value of warrants issued in a unit offering is based on the residual value method.

4. INVESTMENT IN INTELLECTUAL ASSETS

The Mobilman application is a Software-as-Service cloud-based solution accessible via secured web portals and mobile devices to help manage an organization's mobile workforce and resources.

Balance June 30, 2018	$	97,541
Additions		66,014
Depreciation		(43,892)
Write-off		(19,852)
Balance June 30, 2019	$	99,811
Additions		-
Depreciation		(23,950)
Balance December 31, 2019	$	75,861

During the year ended June 30, 2017, the Company acquired a suite of customer relationship management software. To acquire the software, the Company issued 2,000,000 common shares, valued at $60,000. The software was acquired from a director of the Company (Note 11).

During the year ended June 30, 2018, the Company acquired a tokenized freelancer platform. To acquire the platform, the Company issued 50,000 common shares, valued at $7,000 and made a payment of $12,858 (US$10,000). In addition, during the year ended June 30, 2018, the Company acquired a domain name for $28,980 (US$21,500).

During the year ended June 30, 2019, the Company acquired a proprietary platform for creating professional live and automated webinar funnels. To acquire the platform, the Company issued 260,000 common shares, valued at $26,000 and made a payment of $40,014 (US$30,000).

5. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

		December 31, 2019		**June 30, 2019**
Accounts payables and accrued liabilities	$	36,442	$	58,478
Due to related parties (Note 10)		6,000		137,813
	$	42,442	$	196,291

6. SHARE CAPITAL

Authorized: Unlimited common shares without par value

Fiscal 2019 Transactions

In November 2018, the Company issued 260,000 common shares valued at $26,000 for an intellectual asset (note 4).

During the year ended June 30, 2019, the Company issued 200,000 common shares on the exercise of stock options for proceeds of $13,000 and cancelled 260,000 stock options.

As at June 30, 2019, the Company has received $6,000 towards a private placement that closed subsequent to June 30, 2019.

Escrow Shares

Upon the acquisition of MM by the Corporation on June 30, 2015, all of the securities issued to insiders of the Corporation which were issued for either cash, being 433,350 common shares, or for the acquisition of MM, being 18,151,126 Common Shares, were placed in escrow, in accordance with the policies of the Canadian Securities Exchange "**Exchange**"). In addition, of the 18,151,126 common shares issued in the transaction to acquire MM, 15 million was issued for the acquisition of MM itself of which an additional 2,757,252 common shares were also placed in escrow under the regular Exchange requirements to be released in accordance with the Exchange policies.

During fiscal 2018, 827,175 shares were released from escrow. During fiscal 2019 and at December 31, 2019 no shares remained in escrow.

Fiscal 2020 Transactions

On August 16, 2019 the Company closed a non-brokered private placement of 10,740,909 units at price of $0.022 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 $0.05 per warrant share until August 16, 2020. In connection with the financing, the Company paid financing costs of $7,040 and issued 320,000 finder's warrants exercisable into common shares at a price of $0.05 for a period of one year from the date of issuance. The Company received $6,000 for the private placement prior to June 30, 2019.

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 are currently issued and outstanding will be 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.

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 at a deemed price of $0.05 per Share, totaling approximately $189,750. The Shares issued are subject to a four month hold period. 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.

(Unaudited - Expressed in Canadian Dollars)

7. STOCK OPTIONS

The Company has a rolling stock option plan (the "plan") that authorizes the board of directors to grant incentive stock options to directors, officers, consultants and employees, whereby a maximum of 10% of the issued common shares are reserved for issuance under the plan. Under the Plan, the exercise price of each option may not be less than the market price of the Company's shares at the date of grant, subject to a minimum exercise price of $0.10 per share. Options granted under the Plan will have a term not to exceed ten years and be subject to vesting provisions as determined by the board of directors of the Company.

Stock option transactions are summarized as follows:

	Number of Options		Weighted Average Exercise Price
Outstanding and exercisable, June 30, 2018	332,797		1.10
Exercised	(20,000)		0.65
Cancelled/Expired	(10,000)		1.10
Outstanding and exercisable, December 31, 2018	302,797		1.10
Outstanding and exercisable, June 30, 2019	286,797	$	1.20
Exercised	-		-
Cancelled/Expired	(286,797)		-
Outstanding and exercisable, December 31, 2019	-	$	1.20

All options were cancelled on November 15, 2019, and there were no options outstanding on December 31, 2019.

8. WARRANTS

The following table summarizes the Company's warrant activities:

	Number of Warrants		Weighted Average Exercise Price
Outstanding, June 30, 2018	1,932,400		1.20
Issued	-		1.20
Outstanding, June 30, 2019	1,932,400		1.20
Issued	1,106,091		0.50
Expired	(1,062,400)		1.00
Outstanding and exercisable, December 31, 2019	1,976,091	$	0.95

(Unaudited - Expressed in Canadian Dollars)

8. WARRANTS (continued)

As at December 31, 2019, the following warrants were outstanding and exercisable:

Expiry Date	Exercise Price	Number of Warrants
December 29, 2021	$ 1.00	20,000
April 6, 2020	2.50	100,000
June 28, 2021	1.40	750,000
August 16, 2020	0.50	1,074,091
August 16, 2020	0.50	32,000
		1,976,091

On November 15, the Company completed share consolidation on the basis of one (1) new common share for every ten (10) old common shares, the above warrants schedule reflects the changes.

9. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

Transactional Risk

The Corporation does not use hedging transactions to manage risk. As a part of the overall operation of the Corporation, management takes steps to avoid undue concentrations of risk. The Corporation manages risk as follows:

Liquidity Risk

Liquidity risk is the risk that the Corporation will not be able to meet its financial obligations as they fall due. The ability to do this relies on the Corporation raising capital through equity financing in a timely manner and by maintaining sufficient cash in excess of anticipated needs. As at December 31, 2019, the Corporation had $12,200 in cash to settle $42,442 current liabilities. While the Corporation did complete a private placement during quarter ended December 31, 2019 (Note 8), the Corporation is exposed to liquidity risk.

Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates may have an effect on the cash flows associated with some financial instruments, known as interest rate cash flow risk, or on the fair value of other financial instruments, known as interest rate price risk.

The Corporation does not trade in financial instruments and is not exposed to significant interest rate risk for the years presented.

Market Risk

Market risk is the risk that changes in market prices will have an effect on future cash flows associated with financial instruments. Market risk comprises three types of risk: credit risk, currency risk and other price risk.

Credit Risk

Credit risk arises from the possibility that debtors may be unable to fulfill their commitments. For a financial asset, this is typically the gross carrying amount, net of any amounts offset and any impairment losses. Balances of cash in financial institutions may at times exceed the government-insured limits.

(Unaudited - Expressed in Canadian Dollars)

9. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (continued)

Credit Risk

As of the date of these financial statements the Corporation's only debtor is the government of Canada for Goods and Sales Tax and Government of Quebec for the Quebec Sales Tax receivable and therefore the Corporation does not believe it is currently exposed to any significant credit risk.

Currency Risk

Currency risk is the risk that changes in exchange rates may have an effect on future cash flows associated with financial instruments. The Corporation does not have any material transactions denominated in foreign currency and is not exposed to material foreign currency risk.

Other Price Risk

Other price risk is the risk that changes in market prices, including commodity or equity prices, will have an effect on future cash flows associated with financial instruments. The cash flows associated with financial instruments of the Corporation are not exposed to other price risk.

Fair Values

Financial instruments include cash, receivables, and accounts payable and accrued liabilities. The fair values of these financial instruments approximate their carrying value due to the relatively short-term maturity of these instruments. The Corporation classifies its cash as financial assets at fair value through profit or loss, receivables as amortized cost and its accounts payable and accrued liabilities as amortized cost. Cash is measured using level 1 of the fair value hierarchy.

10. RELATED PARTY TRANSACTIONS

a) 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:

	2019	2018
Consulting fees charged by directors, officers and corporations under their control	$ 89,688	$ 88,500
General and administrative expense	1,800	-
Total	$ 91,488	$ 88,500

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

b) Included in accounts payable and accrued liabilities is $6,000 (June 30, 2019 - $137,813) due to corporation controlled by an officer and a director of the Company.

c) 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 at a deemed price of $0.05 per Share, totaling approximately $189,750. The Shares issued are subject to a four month hold period. 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.

11. CAPITAL MANAGEMENT

The Company's primary source of funds comes from the issuance of share capital. The Company does not use other sources of financing that require fixed payments of interest and principal as the Company does not generate cash flow from current operations. Accordingly, the Company is not subject to any externally imposed capital requirements.

The Company defines its capital as shareholders' equity. To effectively manage the Company's capital requirements, the Company has a planning and budgeting process in place to ensure that adequate funds are available to meet its strategic goals.

The Company has in the past invested its capital in liquid investments to obtain adequate returns. The investment decision is based on cash management to ensure working capital is available to meet the Company's short-term obligations while maximizing liquidity and returns of unused capital.

Although the Company has been successful at raising funds in the past through the issuance of share capital, it is uncertain whether it will be able to continue this financing due to uncertain economic conditions. The Company believes that it will be able to raise sufficient funds from share issuances to fund its working capital for the coming year.

There have been no changes to the Company's approach to capital management during the year.

12. SEGMENTED INFORMATION

The Corporation operates in one segment being the development of application technology in one geographic region being Canada.

13. SUBSEQUENT EVENT

Subsequent to quarter end:

1) On January 17, 2020, the Company issued 540,000 common shares of the Company for past services performed, in lieu of cash, to Harvey Dick, 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.

2) On February 3, 2020, the 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.

SUBSCRIBE TECHNOLOGIES INC.

MANAGEMENT'S DISCUSSION AND ANALYSIS

FOR THE SIX MONTHS ENDED DECEMBER 31, 2019

DATED FEBRUARY 26, 2020

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 Subscribe Technologies Inc.'s (formerly "Surrey Capital Corp.") 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. Subscribe 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

This management discussion and analysis (“MDA”), prepared on February 26, 2020, covers the operations of Subscribe Technologies Inc. (“Subscribe” or the “Company”) for the six months ended December 31, 2019. 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, 2019 and the unaudited condensed consolidated interim financial statements for the six months ended December 31, 2019. The accompanying condensed consolidated interim 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 or the Company website at subscribetech.com.

Description of Business

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. The Company trades on the CSE under the symbol SAAS.

Subscribe Technologies Inc. develops and acquires Software as a Service (“SAAS”) businesses and in turn operates, manages and markets the service.

Investment in Intellectual Assets

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 1,765,194 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.

On December 15, 2016, the Company completed the acquisition of bContact, a cloud-based, easy to use business management solution for small and medium sized organizations that provides integrated business management tools including customer relationship management, accounting, banking, invoicing, billing, quotation, and many other useful features. Concurrently with the acquisition, the Company closed a private placement financing by issuing 670,000 common shares at $0.03 per share for gross proceeds of $201,000.

The Company closed an additional private placement financing in January 2017, by issuing 320,000 common shares for gross proceeds of $96,000.

On March 1, 2017 the Company launched ServerHawk.com (“ServerHawk”), a SAAS website analysis, SEO and marketing tool for marketing professionals, business owners, and web developers. ServerHawk enables its users to enhance the way website visitor traffic is analyzed, providing a plethora of information about the website including keyword and meta information, social network information, charts, and graphs.

On March 20, 2017 the Company launched FileQ.com, an electronic file sharing and file storage service. FileQ.com enables users to access content securely in real time using nearly any mobile device and operating system, including iOS, Android, Windows and Blackberry while offering an elegant, intuitive and simple interface; further facilitating quick and viral user adoption.

On April 11, 2017, the Company entered a strategic partnership agreement with Intema Solutions. Intema’s eFlyerMaker enables businesses to easily prepare and launch marketing campaigns. It automates predictive custom content in a campaign or website by targeting users based on browsing, reading, and purchasing habits. In connection to the strategic partnership, access to eFlyerMaker will be granted with access to bContact.

On June 5, 2017, the Company launched SiteSafe.io, an Internet security service designed to assist IT professionals in maintaining and managing networks including the detection of viruses, worms, trojans and all kinds of malware injected on websites.

On September 19, 2017, the Company announced the development of LenderTech.com, a cloud based Software-as-a-Service loan management utility for banks, financial institutions, mortgage lending facilitators and more specifically; the micro-finance lenders.

During the quarter ended March 31, 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 $1.00 for an eighteen months period after the closing. The Company paid cash finder’s fees of $31,200 and issued 62,400 finder’s warrants with the same terms in connection with the private placement.

During the quarter ended March 31, 2018, the Company granted 100,000 stock options to directors, officers and consultants of the Company, exercisable at $1.80 per share for a three years term.

In April, 2018, the Company completed completed a non-brokered private placement of 100,000 units issued at a price of $1.50 per unit, raising gross proceeds of $150,000. Each unit consists of one common share and one non-transferable common share purchase warrant, with each warrant entitling the holder to acquire one additional share at a price of 25 cents per share for two years from the date of issuance, provided that, if at any time after the closing date of the private placement the closing sales price of the shares (or the closing bid if no sales were reported on a trading day) as quoted on a stock exchange, quotation system or market on which the shares of the company are listed and where a majority of the trading volume of the shares occurs is 40 cents or higher for a period of 10 consecutive trading days, then the company may, within 10 consecutive trading days of such event, provide notice by way of press release to the holder of the warrants of the early expiry of the warrants, and thereafter the warrants shall expire on that date that is 10 consecutive trading days from the date that such notice is given.

During the year ended June 30, 2018, the Company acquired a tokenized freelancer platform. To acquire the platform, the Company issued 5,000 common shares, valued at $7,000 and made a payment of $12,858 (US$10,000). Also during the year ended June 30, 2018, the Company acquired a domain name for $28,974 (US$21,500).

2018 was a highly productive year for Subscribe Technologies in terms of product development and strategic acquisitions. During the course of the year, the company was able to advance its Gingerly business management platform to a highly scalable product designed to handle hundreds of thousands of concurrent active users.

The company's extensive market research conducted by third party experts in various fields, including SaaS (software as a service) development, marketing, search engine optimization, demographics and hardware scalability have provided the company's team with detailed productivity and implementation road maps to assist in delivering the highest-quality service to Subscribe's customers and ensuring the best possible success in the company's effort to become a household name in business management software.

The company's recent acquisition of WebinarIgnition is continuing to generate revenue and adds nearly 6,000 users to Subscribe's growing customer base. WebinarIgnition is a powerful plug-in for WordPress that enables users to easily deploy live or prerecorded (evergreen) webinars and charge viewers through the integrated payment system. The platform offers an alternative to competing products such as LogMeIn's GotoWebinar and WebEx.

In addition to the many improvements made with Subscribe's flagship product, the company has also reached many other milestones; a few mentionable highlights are:

- Launched premium Gingerly SaaS app marketplace with first paid app offering;
- Integrating 100-per-cent-owned cloud storage service FileQ into Gingerly business management platform;
- Upgraded LenderTech with peer-to-peer lending service and integrating platform into Gingerly marketplace;
- Acquired profitable webinar technology asset;
- Appointed Christopher Cherry to the board of directors;
- Deployed flagship SaaS platform Gingerly version 2.0 to SMEs (small- and medium-sized enterprises) and solopreneurs;
- Completed phase 1 Gingerly software platform development initiatives; begun deploying user growth plan, application acquisition and partnership strategies;
- Begins trading on the OTCQB marketplace;
- Introduces new flagship software platform Gingerly, including artificial-intelligence-powered business assistant, application suite and management dashboard;
- Closes non-brokered private placement;
- Obtains DTC (Depository Trust Company) eligibility of its common shares;
- Launches fintech-based financial lending platform LenderTech in beta;
- Acquired 100 per cent of cryptopowered freelancer platform GIGX;
- Announced closing of non-brokered private placement.

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 WebinarIgnition

WebinarIgnition integrates with the WordPress content management system, making it super easy to install and manage campaigns directly from the WordPress dashboard. WordPress is the top content management system in the world with 60 per cent of the CMS market, powering 27 per cent of the Internet and making up 30 per cent of the top 10 million websites in the world, with over 75 million installs globally. The platform also integrates with all major e-mail platforms, including MailChimp, GetResponse, Aweber, iContact and SendReach.

Subscribe Technologies Inc. has seen an increase in WebinarIgnition sales from its affiliate referral marketing program initiatives.

Affiliate referral marketing is a popular on-line marketing strategy whereby social influencers, bloggers and other on-line entities earn commissions for referring buyers to a product offered on-line, which is tracked via a referral link from the referring partner's source (such as a link, advertisement, social post or website) to the targeted product website.

The WebinarIgnition affiliate program is hosted and managed by the company on PayKickStart, a popular and emerging affiliate management software platform and payment system. After completing the migration of the WebinarIgnition platform acquisition late December, 2018, the company has grossed in excess of $13,000 in Webinar software sales to date.

Prospective referral partners and on-line affiliate marketers wishing to join the company's WebinarIgnition affiliate program are invited to join on the PayKickStart website, where the company is currently paying 30-per-cent commissions for successful sales of the company's WebinarIgnition products.

Since soft launching the WebinarIgnition referral program earlier this month, the company is already witnessing an increase in referral traffic and sales generated from the program, which are tracked daily in the company's affiliate referral program management dashboard.

The affiliate referral marketing program is but one initiative the company intends to continuously utilize to help increase WebinarIgnition sales, as well as additional new marketing and app products the company intends to launch in the coming weeks and months.

WebinarIgnition is a plugin for WordPress, enabling users to easily set up and charge viewers for watching videos and webinar presentations. WordPress is the top content management system (CMS) in the world with 60 per cent of the CMS market, powering an estimated 27 per cent of websites on the Internet, and 30 per cent of the top 10 million websites around the world, with over 75 installs globally to date.

According to the Content Marketing Institute, 58 per cent of marketers use webinars for promotion and about 32 per cent of them think webinar marketing will be critical to their success this year. Webinar marketing is a technique using an on-line seminar to connect with a wider audience and promote your business. The term "webinar" comes from the words "Web seminar." Typical webinar offerings include live interviews, seminars, conferences, demonstrations, counselling and therapy, among many other uses by users providing premium video content.

WebinarIgnition has been purchased by over 5,000 customers before its recent acquisition by the company. Management's goal is to continue this trend by increasing product awareness through strategic partnerships, a competitive price point, enhanced features, customization and ease of use.

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

For the six months ended December 31, 2019, the Company recorded a loss of $265,654 (2018 - $629,216) and had a cash and cash equivalents balance as at December 31, 2019 of $12.200 (June 30, 2019 - $1,531), with working capital/(deficiency) of $18,234 (June 30, 2019 – ($153,072)).

Selected Annual Information

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

June 30,	2019	2018	2017
Net revenues	$ 11,440	$ Nil	$ Nil
Net loss	965,258	758,640	381,200
Total assets	143,030	936,589	211,992
Long term liabilities	Nil	Nil	Nil
Loss per share	0.20	0.20	0.10
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 December 31, 2019:

	Three months ended			
	December 31, 2019 -$-	*September 30, 2019* -$-	*June 30, 2019* -$-	*March 31, 2019* -$-
Total assets	136,537	218,448	143,030	195,261
Working capital (deficiency)	18,234	(117,099)	(153,072)	36,048
Shareholders' equity (deficiency)	94,095	(29,263)	(53,261)	172,147
Net loss for the period	(66,392)	(199,262)	(231,408)	(104,634)
Loss per share	(0.01)	(0.04)	(0.05)	(0.02)

	Three months ended			
	December 31, 2018 -$-	*September 30, 2018* -$-	*June 30, 2018* -$-	*March 31, 2018* -$-
Total assets	324,590	503,654	936,589	381,596
Working capital (deficiency)	131,530	373,726	769,456	273,563
Shareholders' equity (deficiency)	276,781	462,115	866,997	334,563
Net loss for the period	(211,334)	(417,882)	(189,559)	(363,211)
Loss per share	(0.04)	(0.09)	(0.04)	(0.08)

Year Ended June 30, 2019

For the year ended June 30, 2019, net loss increased to $965,258 (2018 - $758,640). This change is primarily attributable to an increase in advertising and promotion from $210,250 to $341,800 and consulting fees from $127,835 to $344,258 between June 30, 2018 and June 30, 2019. This increase was a result of the Company's ongoing business development efforts. The Company also had a decrease in Share-based payments of $233,243 in the prior year on the granting of options compared to $Nil in the current year.

Year Ended June 30, 2018

For the year ended June 30, 2018, net loss increased to $758,640 (2017 - $381,200). This change is primarily attributable to an increase in consulting fees from $87,125 for the year ended June 30, 2017 to $338,085 for the year ended June 30, 2018. This increase was a result of the Company's ongoing business development efforts. The Company also had an increase in Share-based payments of $233,243 in the current year on the granting of options compared to $133,111 in the prior year.

Liquidity

As at December 31, 2019, the Company had a cash balance of $12,200 (June 30, 2019- $1,531), with working capital/(deficiency) of $18,234 (June 30, 2019- ($153,072)).

Cash flows used in operating activities for the six months ended December 31, 2019, were $212,591 (2018 - $554,458) 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 are currently issued and outstanding will be 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 10 million units at a price of $0.05 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 10,740,909 units at price of $0.022 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 $0.05 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 at a deemed price of $0.05 per Share, 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 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.

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
1,000,000	Incentive Stock Options	0.075	February 3, 2025
20,000	Warrants	1.00	December 29 2021
100,000	Warrants	2.50	April 6 2020
750,000	Warrants	1.40	June 28 2021
1,074,091	Warrants	0.50	August 16 2020
32,000	Finders Warrant	0.50	August 16 2020

Capital Resources

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.

On December 15, 2016, the Company completed the acquisition of bContact, a cloud-based, easy to use business management solution for small and medium sized organizations that provides integrated business management tools including customer relationship management, accounting, banking, invoicing, billing, quotation, and many other useful features, by issuing 200,000 common shares at an agreed value of $0.30 per share for an imputed value of $60,000. Concurrently with the acquisition, the Company closed a private placement financing by issuing 670,000 common shares at $0.30 per share for gross proceeds of $201,000.

The Company closed an additional private placement financing in January 2017, by issuing 320,000 common shares for gross proceeds of $96,000.

On March 1, 2017 launched ServerHawk.com ("ServerHawk"), a SAAS website analysis, SEO and marketing tool for marketing professionals, business owners, and web developers. ServerHawk enables its users to enhance the way website visitor traffic is analyzed, providing a plethora of information about the website including keyword and meta information, social network information, charts, and graphs.

On March 20, 2017 the Company launched FileQ.com, an electronic file sharing and file storage service. FileQ.com enables users to access content securely in real time using nearly any mobile device and operating system, including iOS, Android, Windows and Blackberry while offering an elegant, intuitive and simple interface; further facilitating quick and viral user adoption.

On April 11, 2017, the Company entered a strategic partnership agreement with Intema Solutions. Intema's eFlyerMaker enables businesses to easily prepare and launch marketing campaigns. It automates predictive custom content in a campaign or website by targeting users based on browsing, reading, and purchasing habits. In connection to the strategic partnership, access to eFlyerMaker will be granted with access to bContact.

The timing and ability of the Company to fulfill the above will depend on the liquidity of the financial markets as well as the willingness of investors to finance such a business the ability to generate new subscription customers. Such future financing may be completed by the issuance of the Company's securities or divesture can adversely affect the value of the current shareholders.

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

Off-Balance Sheet Arrangements

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

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:

		2019		2018
Consulting fees charged by directors, officers and corporations under their control	$	89,688	$	88,500
General and administrative expense		1,800		-
Total	$	91,488	$	88,500

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 $6,000 (June 30, 2019 - $137,813) due to a corporation controlled by an officer of the Company.

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 at a deemed price of $0.05 per Share, 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

Risk Factors

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.

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 infra-structure 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 may 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

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

The Company would like to direct readers to its audited financial statements for the year ending June 30, 2019 which are incorporated by reference and can be found on the regulator's web site at www.sedar.com.

Financial Instruments and Other Instruments

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

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 10,138,920 common shares issued and outstanding as well as 1,976,091 warrants at an exercisable between $0.50 and $2.50 to December 29, 2021 and 1,000,000 stock options at an exercisable price of $0.075 to February 3, 2025.

Other MD&A Requirements

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.