



FOBI AI INC.
(Formerly Loop Insights Inc.)

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2021

MANAGEMENT'S DISCUSSION AND ANALYSIS

Dated October 27, 2021

For the Year Ended June 30, 2021

INTRODUCTION

The following Management Discussion and Analysis ("MD&A") of Fobi AI Inc. (the "Company" or "Fobi") has been prepared by Management in accordance with the requirements of National Instrument 51-102. The information contained in this MD&A is not a substitute for detailed investigation or analysis on any particular issue. The information provided in this MD&A is not intended to be a comprehensive review of all matters and developments concerning the Company. Specific risks facing the Company are set out explicitly in Appendix 1 of this MD&A. In addition, certain statements in this report incorporate forward looking information and readers are advised to review the cautionary note regarding such statements in Appendix 2 of this MD&A.

This MD&A should be read in conjunction with the Company's audited financial statements as at June 30, 2021 and the related notes contained therein which have been prepared under International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board.

All financial information in this MD&A has been prepared in accordance with IFRS and all dollar amounts are quoted in Canadian dollars, the reporting and functional currency of the Company, unless specifically noted.

COMPANY OVERVIEW

The Company was incorporated under the laws of the province of British Columbia, Canada, on January 2, 2018. On May 31, 2021, the Company changed its name from Loop Insights Inc. to Fobi AI Inc. The address of the Company's corporate office and principal place of business is Suite 2F – 541 Howe Street, Vancouver B.C., V6C 2C2.

Fobi is an Internet of Things ("IoT") technology company that delivers transformative artificial intelligence, automated marketing, contact tracing, and contactless solutions to the brick-and-mortar space. Its unique IoT device, Fobi, is a simple plug and play hardware or software that instantly provides visibility to 100% of every transaction happening and enables data connectivity across online and on-premise platforms to provide real-time, detailed insights and automated, personalized engagement. Its ability to integrate seamlessly into any existing infrastructure, and customize campaigns according to each vertical, creates a highly scalable solution for its prospective global clients that span industries. Fobi has also built off their original platform a very unique and scalable Venue Tracing solution. This platform is built on a future proof technology, NFC (Near Field Communication), and as the world goes more digital, Fobi's solution is thinking much further ahead than the current app-based programs we see today. The Company is focused on key verticals such as, but not limited to, the telecom, casino gaming, sports and entertainment, hospitality, and retail industries, in Canada, the US, and now starting discussions in other regions globally.

OVERALL PERFORMANCE

Announcements and Highlights during the year ended June 30, 2021:

- On July 2, 2020, the Company announced the resignation of Dallas Pretty as a director of the Company.
- On July 7, 2020, the Company announced it had entered into a partnership with Omnivore ("Omnivore"), a universal point-of-sale (POS) connectivity platform enabling instant access to hundreds of brands and technology providers to integrate seamlessly.

- On July 13, 2020, the Company announced further developments in its dealings with two of Canada's largest telecommunications companies as well as two of the largest network providers in the United States.
- On July 17, 2020, the Company announced further developments in the implementation of its Covid-19 contact tracing solution with government officials, and live event and stadium operators, in North America, Australia, Indonesia, and the U.K., since its launch in June 2020.
- On July 20, 2020, the Company announced the signing of an MOU with ImagineAR (CSE: IP); (OTCQB: IPNFF) an Augmented Reality ("AR") mobile platform.
- On July 20, 2020, the Company announced the launch of a 12-month online marketing campaign through AGORACOM for the purposes of targeting new potential investors that would be specifically interested in the Company's business model, as well as engaging shareholders through a custom and moderated forum.
- On July 23, 2020, the Company announced the launch of its contact tracing platform in Nevada with two of Grupo Anderson's restaurants in Las Vegas, Senor Frog's and Carlos 'n Charlie's.
- On July 29, 2020, the Company announced the appointment of Jeffrey Hyman to the Company's Board of Directors. Mr. Hyman had previously served on the Board of Advisors.
- On July 31, 2020, the Company announced further developments in its conversations with municipal, provincial and federal school boards to implement its Covid-19 contact tracing solution in Canadian and the U.S. schools.
- On August 6, 2020, the announced the receipt of approximately \$900,000 from the exercise of warrants.
- On August 10, 2020, the Company announced the signing of a channel reseller partnership with global cloud-based Point-of-Sale (POS) company, Vend, as well as, the first sale to a Vend client.
- On August 10, 2020, the Company announced webinars on investing firm platforms, SmallCap Power and RB Milestone Group ("RBMG").
- On August 13, 2020, the Company announced the signing of a channel reseller partnership with Kentucky-based bdG Sports LLC ("bdG") a leading representation, event management and public relations firm operating within the global sports marketing industry.
- On August 17, 2020, the Company announced it had been invited to showcase its contact tracing solutions to the Athletic Directors of the 11 NCAA Division 1 Schools of the Big East Conference ("Big East"), for the purposes of supporting post COVID 19 resumption plans.
- On August 20, 2020, the Company announced the signing of a Pilot Agreement with Sunflora Inc., to implement Fobi's analytics platform into 20 of its Your CBD Store retail locations.
- On August 25, 2020, the Company announced an initial partnership agreement with KABN Systems North America Inc., a wholly-owned subsidiary of KABN System NA Holding Corp. (CSE: KABN) ("KABN NA" or "KABN North America"), a Canadian Fintech company that specializes in continuous online identity verification, management and monetization in Canada and the US.
- On September 16, 2020, the Company announced the signing of an agreement with the University of Houston Athletics ("UH") to implement Fobi's contactless, artificial intelligence marketing solutions to provide personalized promotions and targeted engagement, as well as, Fobi's leading contact tracing solutions for the purposes of supporting resumption plans that provide a safe environment for fans and guests attending Houston football games at TDECU Stadium.

- On September 17, 2020, the Company announced that it had entered into a limited formal agreement with the TELUS Corporation to conduct a 90-day proof of concept pilot across TELUS's three flagship corporate retail locations in British Columbia.
- On September 25, 2020, the Company announced that its common shares would commence trading on Monday, September 28th, 2020 on the OTCQB Venture Market under the stock symbol "RACMF".
- On September 28, 2020, the Company announced the signing of a short form agreement to grant Austin, TX based startup CasaPerks LLC a non-exclusive license to use various aspects of Fobi's technology in return for \$1,930,000 in cash and shares.
- On October 5, 2020, the Company announced the filing of provisional patent applications and various Trademark Registries for its contactless data applications.
- On October 7, 2020, the Company announced that it had entered into an agreement to acquire the intellectual property assets of Digital2Go Media Networks, Inc., d/b/a Locally.io a leader in location data intelligence and real-time consumer engagement.
- On October 8, 2020, the Company announced the signing of its first deal with partner bdG Sports ("bdG") to provide venue tracing and enhanced fan engagement solutions for its #VegasBubble, featuring NCAA Division I men's and women's basketball.
- On October 15, 2020, the Company announced its acceptance into the TELUS IoT Marketplace, intended to significantly expand Fobi's sales distribution channels on a national scale.
- On October 13, 2020, the Company announced the signing of a referral agreement with UK-based SG-retail to expand Fobi's services and products into the UK and Europe. SG-retail, led by retail industry veteran Steve Gray, who was engaged to assist Fobi with its efforts to establish a presence in Europe.
- On October 19, 2020, the Company, announced a partnership with Empower Clinics to provide an end-to-end COVID-19 mitigation solution including venue tracing, real-time automated guest exposure notifications, and frequent testing with rapid results in 15 minutes.
- On October 21, 2020, the Company announced that its Senior Vice President (SVP) of Business Development Mike Canevaro had been selected to lead a roundtable discussion at Shoptalk 2020 regarding the future of the brick and mortar retail space.
- On October 22, 2020 the Company announced that Amazon Web Services (AWS) and Fobi would be hosting an interactive webinar to showcase the Company's Venue Tracing Solution to a global audience on October 29th.
- On October 27, 2020, the Company announced the signing of a referral and partnership agreement with Summit Services Inc. dba Summit One Source to provide an integrated COVID-19 management solution consisting of rapid mobile testing, integrated lab results, and exposure alert notification capabilities.
- On October 30, 2020, the Company announced that early response from its interactive webinar with Amazon Web Services to showcase the Company's Venue Tracing Solution to a global audience on October 29th indicated great success.
- On November 4, 2020, the Company announced the successful completion of an initial 20 store pilot to be followed by further implementation at all 550 Your CBD Store retail locations.
- On November 9, 2020, the Company announced the implementation of its "Venue Bubble," an integrated contact tracing to rapid testing solution, in a live venue environment at the Gulf Coast Showcase in Florida hosting 14 NCAA college basketball teams.
- On November 12, 2020, the Company announced the January 2021 launch of UKLIPZ, the first ever platform to enable consumers to create verified reviews using mobile video that can

also be used, purchased or analyzed by brands and retailers to drive further engagement and sales. UKLIPZ was acquired by Fobi on September 16th, 2019.

- On November 18, 2020, the Company announced the Company had been selected to join the Impact Radius Marketplace, providing Fobi with the opportunity to connect with and leverage marketing opportunities with Impact global brand partners such as Fanatics, Uber, Nike, Adidas, Airbnb and Levi's.
- On November 23, 2020, the Company announced their new partnership with VenueNext, a leader in point-of-sale (POS), mobile commerce and loyalty solutions for major professional sports leagues and a number of colleges. Fobi's intent is to work with VenueNext to integrate the POS leader's mobile ordering and payment functionality with Fobi's Real Time Dashboard. The result would provide their clients with key insights on fans visiting arenas and stadiums at both the professional and collegiate levels, as well as universities, theme parks, and other public venues.
- On December 1, 2020, the Company announced the successful execution of its "Venue Bubble" solution in two separate live environments hosting NCAA Division 1 basketball teams.
- On December 3, 2020, the Company announced the launch of a second product into the Telus IoT Marketplace, intended to significantly expand Fobi's sales distribution channels on a national scale.
- On December 9, 2020, the Company announced the signing of a Memorandum Of Understanding ("MOU") with SimpliFlying, a leading aviation marketing consulting firm, to support specific near-term opportunities with international resorts, national tourism boards, major airlines, airports, cruise ships, and ports.
- On December 11, 2020, the Company launched a multilingual platform in support of Canada-wide opportunities with national brands.
- On December 14, 2020, the Company announced the successful launch of its first "Film Bubble" for a major motion picture that is scheduled to commence filming in January 2021.
- On December 14, 2020, the Company announced the appointment of Mark Lotz, CPA, CA, as Chief Financial Officer.
- On December 17, 2020, the Company announced the signing of a global partnership agreement with NTT DATA Corp of Japan, a leader in technology services and ranked global Internet of Things (IoT) consulting and system integration services company.
- On December 21, 2020, the Company announced the January 2021 launch of its Digital Connect Health Platform, an integrated digital healthcare solution designed for both government and private sectors.
- On January 4, 2021, the Company announced that IoT partner TELUS was accelerating its partnership with Fobi in 2021 by launching a direct and indirect national sales & marketing campaign showcasing Fobi's solutions stack.
- On January 7, 2021, the Company announced that the Company has appointed Danny M. Spataro as Sr. Director of Sales, Sports, and Entertainment.
- On January 8, 2021, the Company announced the Company had been selected by bdG Sports to provide its venue management platform to the Big West Conference Men's and Women's Basketball Championships on March 9-13, 2021 at the Mandalay Bay Events Center in Las Vegas.
- On January 12, 2021, the Company announced the signing of a Letter Of Intent ("LOI") to acquire Passcreator, a leading European digital wallet and mobile marketing company with clients such as Mercedes-Benz and BMW.

- On January 19th, 2021, the Company announced the final integration of major cryptocurrency payments into the Company's contactless payment platform. Initial integration was prepared in 2018, with patents filed in 2019 and put on standby in anticipation of today's global commerce and regulatory acceptance of cryptocurrency payments.
- On January 26, 2021, the Company announced its partnership with Empower Clinics to establish the Re-open Vancouver coalition with the goal of obtaining an approved end-to-end COVID-19 mitigation solution to help in the re-opening of Vancouver's travel and tourism industry.
- On January 28, 2021, the Company announced the appointment of Tamer Shafik, former Director of Solution Architecture at NTT DATA Corp. as new Chief Technology Officer.
- On February 04, 2021, the Company announced the launch of a Pilot agreement with Maplin Electronics, the UK's leading online electronic retailer, to implement the Company's real-time artificial intelligence analytics platform.
- On February 08, 2021, the Company signed a four-year Venue Management Agreement through Telus IoT Marketplace with Big White Ski Resort.
- On February 18, 2021, the Company announced that it has completed the acquisition of intellectual property assets of Digital2Go Medial Networks, Inc. ("Locally").
- On February 25, 2021, the Company provided Wallet Pass Platform to World Boxing Council ("WBC") to engage for championship fight being broadcast to over 200 countries and a potential broadcast on social media of some 10 million followers.
- On March 01, 2021, the Company signed a letter of intent for a contemplated licensing deal with Maitri Health Technologies to combined PPE, artificial intelligence in a globally scalable offering.
- On March 15, 2021, the Company announced the successful execution of its venue management platform which protected NCAA athletes, coaches, media, staff, and fans at the 2021 Big West Conference Championship in Las Vegas.
- On March 18, 2021, the Company announced its participation in a five-store pilot with Sobeys, Canada's second-largest grocer. The project is intended to provide Sobeys with Fobi's Engage platforms, including its new digital receipt capability, as well as Fobi's Wallet pass technology.
- On March 29, 2021, the Company announced the execution of a definitive agreement to acquire Mediahelden GmbH, d/b/a Passcreator ("Passcreator") (the "Transaction") for \$2,000,000; based in Munich, Germany.
- On March 31, 2021, the Company reported its collaboration with Data Clymer to provide Fobi's real-time data collection, insights and engagement solutions to Data Clymer's growing list of clients, including its leading clients in professional sports and live entertainment.
- On April 5, 2021, the Company announced its collaboration with the Sovrin Foundation, an open-source, open standards technology platform for digital identity.
- On April 7, 2021, the Company announced that the Company had completed its integration to Vend's Billing API, providing Vend retailers with seamless onboarding to Fobi's multi-domain, franchise compliance, and historical reporting solutions.
- On April 13, 2021, the Company announced the signing of a joint venture partnership with DGTL Holdings Inc.
- On April 14, 2021, the Company announced a new Proof of Concept (PoC) with Suresite Group. The cooperation will see selected Suresite retail locations take advantage of Loop's IoT Fobi device and insights platform.
- On April 16, 2021, the Company announced completion of the acquisition of mediahelden GmbH d/b/a/ Passcreator. Consideration for the acquisition of Passcreator, was US\$2,000,000

consisting of:

- (i) US\$123,000 paid in cash;
- (ii) 1,301,425 common shares of the Company being US\$1,477,000 in Fobi Shares at a price per share of US\$1.1349/C\$1.4277

Further the Company made available secured limited recourse loans to certain former shareholders of Passcreator in the aggregate amount of up to US\$510,000. Further the Company also granted an aggregate of 1,000,000 incentive stock options pursuant to its incentive stock.

- On April 26, 2021, the Company announced the 4th successful execution of its venue management platform, as high engagement rates at the inaugural MGM Resorts Championship PGA Tournament at Paiute Golf Resort in Las Vegas.
- On May 4, 2021, the Company announced its selection by Certas Energy UK, LTD, a major UK fuel distributor, to enter a Proof of Concept to deploy Loop's Insights platform at a number of Certas branded gas stations and convenience store locations across the United Kingdom.
- On May 7, 2021, the Company announced its selection by bdG Sports to provide its complete venue management and fan engagement platform to the Black Friday NCAA Division 1 Basketball game between Duke and Gonzaga on November 26, 2021 at T-Mobile Arena in Las Vegas. In addition, Fobi was selected to provide its venue management and fan engagement platform to the Roman Main Event featuring Michigan, UNLV, Arizona, and Wichita State November 19-21, 2021 at T-Mobile Arena.
- On May 11, 2021, the Company announced the signing of a Letter of Intent with All Net LLC to provide a custom technology stack that will power the All Net Resort and Arena Project, a major new entertainment venue in Las Vegas, Nevada.
- On May 17, 2021, the Company retained Emerging Market Consulting, LLC to provide investor and public relations services.
- On May 18, 2021, the Company announced its entrance to the consumer packaged goods retail market with successful integration with the Coupon Bureau to deliver verified universal digital coupons through the Company's wallet pass platform.
- On May 26, 2021, the Company entered into a multi-year white label agreement with TELUS who will be selling solutions to their national customer base as a TELUS product.
- On May 31, 2021, the Company rebranded as Fobi AI to unify messaging and branding with its next phase of enterprise level growth.
- On June 8, 2021, the Company appointed former VP of Strategic Alliances at NielsenQ, Richard Lee as its new SVP of Strategy & Corporate Development to support company's continued growth in 2021.
- On June 9, 2021, the Company commenced trading on OTCQB under the new symbol "FOBIF".
- On June 10, 2021, the Company licensed its wallet pass platform to CareSpace.AI for use in its CampusPass Vaccine validation platform for higher education across North America.
- On June 14, 2021, the Company signed a Proof of Concept (POC) with TELUS to integrate the FOBI Data platform into the TELUS Insights Location Services Data solution.
- On June 17, 2021, the Company appointed Jolie Summers From NTT Data To Senior Management Team as VP of Product.
- On June 30, 2021, the Company announced the completion of a brokered private placement offering of 5,935,000 units for \$ 7.42 million.
- On July 20, 2021, the Company was selected by GPJ to utilize their Wallet pass solution as part of their event management solution.
- On July 27, 2021, the Company signed a Binding Letter Of Intent ("LOI") to acquire US based Qples online coupon and advertising platform to deliver global CPG generated coupons into any retail platform.
- On July 29, 2021, the Company announced adding ticketing and admissions capabilities to live and digital fan engagement to deliver a comprehensive solution for a NCAA Division 1 basketball tournament at Baha Mar Hoops in the Bahamas

- On August 19, 2021, the Company announced the release of its new Smart Scan App to be used by Passcreator and Fobi customers to validate Wallet passes in addition to the utilization of Fobi's proprietary Smart Tap devices (which use NFC) to validate the Wallet passes at events, venues and other locations.
- On August 24, 2021, the Company announced the release of their new Venue Management System for Conferences & Events intended to help venues and conference organizers provide better, mobile-first contactless customer experience, reduce costs and get better analytics about how attendees are interacting with their event.
- On August 27, 2021, the Company announced the release of its new Digital Proof of Vaccination service CheckVax™, to assist venues and businesses comply and meet government vaccine mandates.
- On August 30, 2021, the Company announced the completed integration of the Fobi Platform with Shopify and the availability of the Fobi App on the Shopify App Store for purchase by Shopify retailers.
- On September 1, 2021, the Company announced that it had signed a deal to provide Fobi's Venue Management and Wallet pass solution to the Canadian Hockey League.
- On September 7, 2021, the Company announced a data aggregation and analytics partnership with Lightspeed Commerce Inc., a one-stop commerce platform for merchants globally.
- On September 10, 2021, the Company announced the integration of Fobi's Wallet pass solution (including the CheckVax™ Digital Vaccination Verification service) with the Hedera Consensus Service.
- On September 13, 2021, the Company announced that it had developed and released a new universal app-less proof of vaccination validation solution, CheckVax™ Validator, to support Smart Health Cards (SHCs)
- On September 15, 2021, the Company announced the launch of Fobi 3.0 the next generation of the company's proprietary IoT hardware device.
- On September 21, 2021, the Company announced that Draganfly's Vital Intelligence Smart Vital system had been integrated into Fobi's Venue Management System for Conferences & Events.
- On September 22, 2021, the Company announced the launch of the Fobi Data Exchange ("FDX") with its first data monetization agreement and partner, In-Touch Group, a provider of consumer insights and digital marketing to retailers and consumers.
- On September 24, 2021, the Company announced that it had entered into a data consulting agreement with Azincourt Energy Corp., a Canadian-based resource company specializing in the strategic acquisition, exploration, and development of alternative energy/fuel projects.
- On September 27, 2021, the Company announced that it had entered into an asset purchase agreement to acquire certain specific assets and the assumption of certain liabilities from Qples, Inc. for total consideration of approximately US\$3.2 million, plus up to an additional US\$1 million earn out.
- On September 29, 2021, the Company announced that it had entered into a data consulting agreement with Kiaro Holdings Corp. to consult on the development of Kiaro's data warehouse and real-time data analytics strategy.
- On October 7, 2021, the Company announced the execution of an agreement to acquire PassWallet, a leading app (by Google Play Store downloads) for managing and utilizing Wallet passes on Android phones.
- On October 8, 2021, the Company announced the signing of a national Passcreator Wallet pass transaction with S4S, Iceland's largest shoe retailer.
- On October 12, 2021, the Company announced the Company had entered into a Service Agreement with Empower Clinics Inc. to integrate Fobi's artificial Intelligence data applications and wallet pass platform into Empower's Kai Care COVID-19 Testing product.
- On October 13, 2021, the Company announced the receipt of TSXV approval and completion, on October 13, 2021, of the acquisition of Qples. In consideration for the acquisition of certain assets and certain specified liabilities of Qples, FOBI will pay to Qples the aggregate purchase price of US\$3,151,385 (the "Purchase Price") paid as follows: (i) US\$2,120 payable in cash;

and (ii) the remainder of the Purchase Price will be satisfied by the issuance of 1,222,551 common shares of FOBI (the “Shares”), being the remainder of the Purchase Price converted into Canadian funds using the Bank of Canada daily exchange rate on the date that is five (5) TSX Venture Exchange trading days prior to the closing date of the Acquisition (the “Closing Date”) at a price per share equal to \$3.24 CAD. Qples also has the opportunity to earn up to a US\$1,000,000 earn out (the “Earn-Out”).

- On October 14, 2021, the Company announced a new relationship with REVELXP, which delivers a leading fan engagement solution to both the collegiate athletics and professional sports markets. It is envisaged that Fobi would receive an initial setup fee for each event, together with licensing revenue for each Wallet pass distributed to fans.

RESULTS OF OPERATIONS

During the year ended June 30, 2021, the Company incurred net comprehensive loss from the operations of \$11,096,603 (2020 - \$5,251,021). The total net loss includes share-based compensation of \$5,243,212 (2020 - \$467,700) and interest and accretion expense of \$18,018 (2020 - \$204,297).

As at June 30, 2021, the Company had a positive working capital of \$8,278,920 (2020 – (\$1,271,161))

Working capital has increased as a result of the Company completing a \$7,418,750 financing on June 30, 2021.

During the year ended June 30, 2021, the Company incurred lower professional fees in the amount of \$482,090 (June 30, 2020– \$702,998) due to a decrease from third party services. Professional fees include accounting fees and legal fees, and related expenses.

For the year ended June 30, 2021, consulting fees were \$1,111,510 compared to \$775,503 in the prior year. The Company proactively engaged in product development and corporate activities in the current year.

Advertising and marketing increased to \$1,059,667 compared to \$282,732 in the prior year mainly due to extensive marketing efforts to increase its business and market awareness during the year.

Cost of services sold during the year were \$36,339 compared to \$Nil in the prior year as this cost primarily formed part of operations of “Passcreator”.

Office and miscellaneous expenses increased to \$405,757 from \$232,659 compared to June 30, 2020. The increase is a result of the company’s growth during the year.

The Company incurred investor relations expense of \$68,074 (June 30, 2020 - \$Nil). This cost formed part of the office expense in the previous year. Due to extensive activities in the current year, this cost has been presented separately from office expense.

The Company incurred \$2,297,367 in wages and benefits (2020 - \$2,505,410), the decrease was mainly due to reduction of some positions in the period and engaging contractors on an as needed basis.

During the year ended June 30, 2021, the Company incurred \$70,044 in license and distribution fees compared to \$62,929 in the prior year due to the payments of licenses which were non-recurring activities.

Research and development expenses increased to \$167,849 from \$63,818 compared to June 30, 2020 mainly due to the increased activities in research and development during the current year.

During the year ended June 30, 2021, the Company incurred travel expense in the amount of \$89,890 (2020 – \$225,836) due to a decrease traveling because of COVID 19. The travels in previous year were related to marketing, tradeshow attendance and the selling of its products globally.

During the year ended June 30, 2021, the Company has focused on reducing operating expenditures mainly in the reduction of staffing and optimizing operational efficiencies.

SUMMARY OF QUARTERLY RESULTS

The following is selected financial information as prepared in Canadian dollars under International Financial Reporting Standards derived from the Company's most recently completed fiscal quarters:

	Revenue	Basic and Diluted Loss per Share	Net Comprehensive Loss for the period
		\$	\$
June 30, 2019	-	(0.21)	(9,806,884)
September 30, 2019	-	(0.02)	(1,385,318)
December 31, 2019	-	(0.02)	(1,523,924)
March 31, 2020	-	(0.02)	(1,445,952)
June 30, 2020	-	(0.08)	(5,251,021)
September 30, 2020	-	(0.01)	(1,013,792)
December 31, 2020	-	(0.04)	(4,189,390)
March 31, 2021	10,016	(0.01)	(1,549,863)
June 30, 2021	147,533	(0.03)	(4,343,558)

LIQUIDITY AND CAPITAL RESOURCES

To date, the Company has funded its operations and capital requirements through a combination of debt and equity financings.

As at June 30, 2021, the Company had total assets of \$11,682,344 (2020 – 1,663,273). As at June 30, 2021, the Company had a positive working capital of \$ 8,278,920. (2020 negative - \$1,271,161)

Cash utilized in operating activities during the year ended June 30, 2021, was \$6,393,659 (June 30, 2020 – \$4,064,116).

At June 30, 2021, the Company had started generating revenue, but not achieved profitable operations and has accumulated losses of \$39,091,291 since inception and expects to incur further losses in the development of its business. The Company's continuation as a going concern is dependent on its ability to attain profitable operations to generate funds and/or its ability to raise equity capital or borrowings sufficient to meet its current and future obligations. Although the Company has been successful in the past in raising funds to continue operations, there is no assurance it will be able to do so in the future.

Equity financings

On July 20, 2020, the Company completed a non-brokered private placement of 5,686,904 units at \$0.105 per unit for proceeds of \$597,125. Each unit consisted of one common share and one share purchase warrant exercisable at \$0.25 per share for a period of two years from the date of issuance.

On June 30, 2021, the Company completed a brokered private placement for 5,935,000 units at \$1.25 per unit for proceeds of \$7,418,750. Each unit consisted of one common share and one-half of purchase warrant exercisable at \$1.60 per share for a period of two years from the date of issuance. Share issuance costs of \$500,969 incurred and charged to share capital.

In connection with the private placement closed on June 30, 2021, the Company also issued 343,025 non-transferable broker warrants which are exercisable into one common share in the capital of the company until June 30, 2023 at a price of \$1.60 per share. The fair value of the share purchase warrants was determined to be \$340,707, calculated using Black-Scholes option pricing model.

In connection with the acquisition of “Passcreator”, the Company issued 1,301,425 common shares at a price of C\$1.43 per share, the remainder of the \$2,013,351 purchase price was paid in cash.

The Company issued 24,929,226 common shares pursuant to the exercise of share purchase warrants for total proceeds of \$6,487,997. The Company issued 4,019,250 common shares pursuant to the exercise of share purchase stock option for total proceeds of \$1,603,640.

The Company’s operations are mainly funded with equity and debt financing, which is dependent upon many external factors, and thus funds may be difficult to raise when required. Management continues to evaluate the need for additional financing and is of the opinion that additional financing will be available to continue its planned activities in the normal course. Nonetheless, there is no assurance that the Company will be able to raise sufficient funds in the future to complete its planned activities. The foregoing indicates the existence of a material uncertainty that may cast substantial doubt as to whether the Company would continue as a going concern and realize its assets and settle its liabilities and commitments in the normal course of business.

CAPITAL MANAGEMENT

The Company considers capital to be the sole element of shareholders’ equity. The Company’s primary objectives in capital management are to safeguard the Company’s ability to continue as a going concern in order to provide returns for shareholders and to maintain sufficient funds to finance the sale and distribution of its technology products. The Company manages its capital structure to maximize its financial flexibility making adjustments to it in response to changes in economic conditions and the risk characteristics of the underlying assets and business opportunities. The Company does not presently utilize any quantitative measures to monitor its capital and is not subject to externally imposed capital requirements.

COMMITMENTS

During the year ended June 30, 2021, the Company had following lease liabilities:

	2021	2020
Balance, beginning of year	\$ 33,270	\$ -
Recognized at adoption of IFRS 16	-	82,723
Leases recognized during the year	31,793	-
Finance cost	3,009	10,121
Payments	(28,942)	(59,574)
	\$ 39,130	\$ 33,270
Current lease liabilities	16,912	25,260
Non-current lease liabilities	22,218	8,010

CONTINGENCIES

There are no contingent liabilities.

OFF-BALANCE SHEET ARRANGEMENTS

The Company has no off-balance sheet arrangements.

TRANSACTIONS WITH RELATED PARTIES

The Company has identified its directors and senior officers as its key management personnel. No post-employment benefits, other long-terms benefits and termination benefits were made during the year ended June 30, 2021. Short-term key management compensation consists of the following:

	2021	2020
Salaries, wages and professional fees	\$ 922,335	\$ 1,050,019
Share-based payments	1,578,990	177,807
	\$ 2,501,325	\$ 1,227,826

As at June 30, 2021, the Company owed \$Nil (2020 - \$479,100) to the Company's CEO, a company controlled by the CEO, and significant shareholder. As at June 30, 2021, the Company also has a balance payable to other related parties totaling \$29,474 (June 30, 2020- \$74,901) which is included in accounts payable and accrued liabilities. The amounts due to related parties are unsecured, non-interest bearing and due on demand.

ACQUISITIONS

On April 16, 2021, the Company acquired 100% control over Mediaheldon GmbH, d/b/a Passcreator ("Passcreator"). Based in Germany, Passcreator is a European digital wallet and mobile marketing company. In consideration for the acquisition of Passcreator, the Company paid US\$123,000 in cash and issued 1,301,425 common shares of the Company.

On October 13, 2021, the Company completed its acquisition of the Qples assets. In consideration for the acquisition of certain assets and certain specified liabilities of Qples, FOBI agreed pay to Qples the aggregate purchase price of US\$3,151,385 (the "Purchase Price") paid as follows US\$2,120,

payable in cash; and the remainder of the Purchase Price will be satisfied by the issuance of 1,222,551 common shares of FOBI (the “Shares”), being the remainder of the Purchase Price converted into Canadian funds using the Bank of Canada daily exchange rate on the date that is five (5) TSX Venture Exchange trading days prior to the closing date of the Acquisition (the “Closing Date”) at a price per share equal to \$3.24 CAD.

On October 7, 2021, the company entered into an agreement to acquire PassWallet, In consideration for the acquisition of PassWallet, Fobi will pay €888,000 consisting of €355,200 paid in cash and €532,800 in common shares of Fobi (each a “Fobi Share”) calculated by dividing €532,800 converted into Canadian funds using the Bank of Canada monthly exchange rate for the calendar month of September, 2021 by the 10 trading day volume weighted average price of the Fobi Shares on the TSX Venture Exchange for the period ended five TSXV trading days prior to the date of closing of the Transaction. Any Fobi Shares issued in connection with the Transaction will be subject to a restricted period of four months and one day from the date of issuance. There are no finder’s fees or long-term debt associated with this agreement.

OTHER MD&A REQUIREMENTS

- a) Additional information relating to the Company is on SEDAR at www.sedar.com.
- b) Disclosure of June 30, 2021 and the date of this MD&A, the Company has 134,862,263 and 142,334,763 issued and outstanding common shares respectively.
- c) Options
As at June 30, 2021, there are 14,119,750 options outstanding, of which 9,918,500 are exercisable.
- d) Warrants
As at June 30, 2021, the Company has 13,692,795 outstanding warrants.

SIGNIFICANT ACCOUNTING POLICIES AND CRITICAL ACCOUNTING ESTIMATES

The preparation of financial statements in accordance with IFRS requires management to make judgements, estimates, and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income, and expenses. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected.

Critical accounting estimates

Information about assumptions and estimation uncertainties that have a significant risk of resulting in material adjustments are as follows:

Assumptions used in the calculation of the fair value assigned to share-based payments

The Company uses the Black-Scholes option pricing model for valuation of share-based payments. Option pricing models require the input of subjective assumptions, including expected price volatility, interest rate and forfeiture rate. Changes in the input assumptions can materially affect the fair value estimate and the Company's equity reserves.

Going concern

The assumption that the Company will be able to continue as a going concern is subject to critical judgments by management with respect to assumptions surrounding the short and long-term operating budget, expected profitability, investing and financing activities and management's strategic planning. Should those judgments prove to be inaccurate, management's continued use of the going concern assumption could be inappropriate.

The Company's significant accounting policies are disclosed in Note 3 of the Company's annual audited consolidated financial statements for the year ended June 30, 2020.

FINANCIAL INSTRUMENTS AND FINANCIAL RISK FACTORS

Cash is carried at fair value using a level 1 fair value measurement. The carrying value of accounts payable, loans payable and due to related parties approximate their fair value because of the short-term nature of these instruments.

Fair value estimates of financial instruments are made at a specific point in time, based on relevant information about financial markets and specific financial instruments. As these estimates are subjective in nature, involving uncertainties and matters of significant judgment, they cannot be determined with precision. Changes in assumptions can significantly affect estimated fair values.

The Company's risk exposures and the impact on the Company's financial instruments are summarized below:

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its obligations associated with its financial liabilities. The Company's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when due. As at June 30, 2021, the Company had a cash balance of \$7,501,753 to settle current liabilities of \$684,338.

There can be no assurance the Company will be able to obtain required financing in the future on acceptable terms. The Company anticipates it will need additional capital in the future to finance ongoing enhancements of its technology, such capital to be derived from the completion of possible equity or debt financing options. The Company has no assurance that additional funding will be successfully secured for the future enhancements of its technology. The ability of the Company to secure additional capital in the future will depend on in the prevailing capital market conditions. In recent years, the securities markets have experienced wide fluctuations in price which have not necessarily been related to the operating performance, underlying asset values or prospects of such companies. There can be no assurance that continual fluctuations in price will not occur. Any quoted market for the common shares may be subject to market trends generally, notwithstanding any potential success of the Company in creating revenue, cash flows or earnings.

Credit risk

Credit risk is the risk of potential loss to the Company if the counterparty to a financial instrument fails to meet its contractual obligations. The Company's credit risk is primarily attributable to its liquid financial assets including cash. The Company limits exposure to credit risk on liquid financial assets through maintaining its cash with high-credit quality financial institutions. Receivables consist of GST receivable from the Government of Canada.

Market risk

Market risk is the risk of loss that may arise from changes in market factors such as interest rates, foreign exchange rates, and commodity and equity prices. The Company does not have a practice of trading derivatives.

a) Interest rate risk

The Company's financial assets exposed to interest rate risk consist of cash. The Company's current policy will be to invest excess cash in investment-grade short-term deposit certificates issued by its banking institutions. The Company periodically monitors the investments it makes and is satisfied with the credit ratings of its banks. As at June 30, 2021, the Company did not have any investments in investment-grade short-term deposit certificates.

- b) Foreign currency risk
The Company's exposure to foreign currency risk fluctuations is minimal.

- c) Price risk
The Company is currently not exposed to any price risk.

APPENDIX I

Risk Factors

The Company has diversified technologies and is focused on many verticals and distribution strategies. The Company continues to focus on multiple verticals to generate future sales in the Company's main products but there is no assurance of success.

The Company has incurred a comprehensive loss for the year ended June 30, 2021 of \$11,096,603 and has a deficit of \$39,091,291. Management is continuing efforts to attract additional equity and capital investors and implement cost control measures to maintain adequate levels of working capital. Nevertheless, there can be no assurance provided with respect to the successful outcome of these ongoing actions. If the Company is unable to obtain additional financing on reasonable terms, the Company may be required to amend its business plan to create a successful strategy.

APPENDIX II

FORWARD-LOOKING STATEMENTS

This MD&A contains certain forward-looking statements and information relating to the Company that is based on the beliefs of our management as well as assumptions made by and information currently available to us. When used in this document, the words "*anticipate*", "*believe*", "*estimate*", "*expect*" and similar expressions, as they relate to our company or our management, are intended to identify forward-looking statements. This MD&A contains forward-looking statements relating to, among other things, regulatory compliance, the sufficiency of current working capital, the estimated cost and availability of funding for the continued development of our technological property. Such statements reflect the current views of management with respect to future events and are subject to certain risks, uncertainties and assumptions. Many factors could cause the actual results, performance or our achievements to be materially different from any future results, performance or achievements that may be expressed or implied by such forward-looking statements.