LOOP INSIGHT INC.

MANAGEMENT'S DISCUSSION AND ANALYSIS

FOR THE YEAR ENDED JUNE 30, 2019

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Dated October 28, 2019
For the Year Ended June 30, 2019

INTRODUCTION

The following Management Discussion and Analysis ("MD&A") of Loop Insights Inc. (the "Company" or "LOOP") 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, 2019 and the related notes contained therein and the Company's audited condensed consolidated financial statements for the year ended June 30, 2019 and the related notes contained therein both of 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

Loop Insights Inc. (the "Company") was incorporated under the laws of the province of British Columbia, Canada, on January 2, 2018. On February 16, 2018, the Company changed its name from Cannabis Big Data Holdings Inc. to Loop Cannabis Insight Inc. On March 21, 2018, the Company changed its name from Loop Cannabis Insights Inc. to Loop Insights 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.

RESULTS OF OPERATIONS

Selected Annual Information and Results of Operations

	June 30, 2019 $	June 30, 2018 $
Net loss	(13,663,010)	(7,080,677)
Basic and diluted loss per share	(0.30)	(0.26)
Cash	227,678	114,967
Total Assets	820,176	2,702,817
Non-Current Liabilities	Nil	Nil

During the year ended June 30, 2019, the Company entered into a license agreement wherein the Company licensed its technology to Kinect Technology, Inc. ("Kinect") for a fee of $5,000,000 USD, of which $3,000,000 USD was to be settled by the issuance of 12,000,000 common shares of Kinect and the remaining $2,000,000 USD is receivable in cash over a period of four years. As at June 30, 2019, the Company has not received the common shares of Kinect. As a result no revenue has been recognized as at June 30, 2019 related to this transaction with Kinect.

During the year ended June 30, 2019, the Company incurred net loss from the operations of $13,663,010 (June 30, 2018- $7,080,677). The total net loss includes share-based compensation of $1,950,530. The increase in net loss is mainly due to the one-time listing expense of $6,153,452, as well as impairment of prepaid of $126,686 in 2019 which did not incur in 2018. These decreases were offset by increased operating expenses, share-based compensation for stock options granted and research and development costs. The Company had gain on write-off of debt of $3,675 during the year. In addition, the net loss includes Termination of license agreement of $250,000.

As at June 30, 2019, the Company had a negative working capital of $1,456,256 from the operations (June 30, 2018- $2,187,984) and an accumulated deficit of $22,743,687 (June 30, 2018- $7,080,677). The decrease in the working capital during the year was as a result of increase in operational activities.

During the year, the Company incurred professional fees in the amount of $117,143 (June 30, 2018 – $95,531) due to an increase from third party consulting services, corporate activities and operational activities of the Company. Professional fees include consulting services, legal fees and related expenses.

For the year ended June 30, 2019, consulting fees were $1,273,126 compared to $225,263 in the prior year. The increase in was primarily caused by an increase in the Company's product development and corporate activities

Office and miscellaneous expenses increased to $214,151 from $18,758 compared to June 30, 2019 mainly due to more activities in prior year related to start-up expenses for the business and commencement of operational activities.

During the year ended June 30, 2019, the Company incurred management fees in the amount of $647,083 (June 30, 2018– $154,903). The increase was due to an increase in additional employees, management salary and benefits.

The Company incurred rent expenses in the amount of $86,911 mainly due to the new office location during the year.

The Company had $520,754 wages and benefits (June 30, 2018 – $nil) due to a portion of employees' wages who are indirectly working on product development and engages consultants on an as needed basis.

During the year ended June 30, 2019, the Company incurred $1,104,898 in license and distribution fees during the year compared to $5,996,050 in the prior year due to the Company's increased fees paid to license and distribution. The Company paid $438,977 during the year for intellectual property acquisition fees.

Research and development expenses increased to $561,214 from $nil compared to June 30, 2018 mainly due to the Company incurring research and development costs during the year to upgrade and test the Company product and technology.

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	Net Loss for the period	Basic and Diluted Loss per Share
	$	$	$
June 30, 2018	–	(0.26)	(7,080,677)
September 31, 2018	–	(0.03)	(1,357,299)
December 31, 2018	–	(0.03)	(1,402,128)
March 31, 2019	–	(0.03)	(1,096,699)
June 30, 2019	–	(0.21)	(9,806,884)

Comparative statements for the three months ended March 31, 2018 have not been presented as the Company was incorporated on January 2, 2018.

LIQUIDITY AND CAPITAL RESOURCES

To date, the Company has funded its operations and capital requirements through a combination of short-term loans from related parties and equity financings.

As at June 30, 2019, the Company had total assets of $820,176. As at June 30, 2019, the Company had a negative working capital of $1,456,255.

Cash utilized in operating activities during the period ended June 30, 2019, was $3,720,378 (June 30, 2018 – $951,477).

During the year ended June 30, 2019, a prepaid expense was recorded of $2,000,000 in respect of a Sublicense Agreement with The Yield Growth Corp. Subsequent to June 30, 2019, the Company entered into a Termination and Release Agreement with Yield Growth, whereby the Sublicense Agreement was terminated.

At June 30, 2019, the Company has not achieved profitable operations and has accumulated losses of $22,743,687 since inception and expects to incur further losses in the development of its business. This material uncertainty may cast significant doubt about the Company's ability to continue as a going concern. 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 financing

Management believes that the Company will require additional working capital to meet its primary business objectives over the next 12 months. The Company plans to raise capital through equity or debt financing. However, there can be no assurance that the Company will be able to raise sufficient funds from the sale of its common shares to fund its operations or planned business development activities. Even if the Company is successful in obtaining equity financing to expand operations and to fund its business development activities, there is no assurance that it will obtain the funding necessary to acquire any additional further technology product interests. If the Company is not able to obtain additional financing, it may be forced to amend its business plan.

Any amendments to the Company's plans will be based on many factors, including the results of our new product acquisition plan, marketing plan and financing plan; negotiations with potential product suppliers and distribution partners; and the amount of available capital. Additionally, the extent to which the Company is able to carry out its business plan is dependent upon revenue from operations and the amount of financing obtained

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

The Company has entered into employment agreements with its COO and CEO wherein the Company has agreed to pay annual salaries to these individuals of $195,000 and $250,000, respectively. Should the employment of these individuals be terminated for any reason other than for-cause termination or resignation, the individuals will be eligible for compensation equivalent to an aggregate of one year's salary and any performance bonus equivalent to one-half of any of the average of the two highest performance bonuses paid in the previous five fiscal years.

During the year ended June 30, 2019, the Company entered into a lease agreement for its office premises by way of an assignment agreement. The lease term expires on October 31, 2020 and annual minimum payments are as follows:

Year(s)	$
2020	48,246
2021	16,482
2022 onwards	Nil
	64,728

CONTINGENCIES

There are no contingent liabilities.

OFF-BALANCE SHEET ARRANGMENTS

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 postemployment benefits, other long-terms benefits and termination benefits were made during the year ended June 30, 2019. Short-term key management compensation consists of the following:

	For the year ended June 30, 2019	For the period from incorporation to June 30, 2018
	$	$
Management fees	647,083	97,916
Share-based payments	345,636	257,742
	992,719	355,658

As at June 30, 2019, the Company owed $479,100 (2018 - $405,488) to the Company's CEO, a company controlled by the CEO, and significant shareholders of the Company. The amount owing is unsecured, non-interest bearing and due on demand.

SUBSEQUENT EVENTS

- On July 15, 2019, the Company announced it has entered into a license agreement (the "Agreement") with Kinect Technology Inc. ("Kinect"), pursuant to which Kinect will use LOOP's AI-powered technology in connection with its Smart and Connected City project. Kinect is architecting an advanced digital solution stack of technology and connectivity in global destinations with tech-enabled, human-centric services that intend to transform the physical retail environment.

- On September 11, 2019, the Company announced the signing of an LOI with Señor Frogs in Las Vegas. Loop and Señor Frogs will enter into a partnership for Loop to install its technology in the Las Vegas location to conduct a 120-day proof of concept test. Upon successful completion of the test, Señor Frogs has agreed to discuss installation of the Loop technology in all of the other 20 Señor Frogs locations in the United States, Mexico and the Caribbean.

- On September 16, 2019, the Company announced that it has acquired the IP (the "Agreement") of Uklipz Digital Media Inc. ("Uklipz"), a company whose mission is to disrupt the consumer review industry by simplifying the process of sourcing, creating, curating and licensing authentic customer reviews, which is beneficial for both brands and consumers. Uklipz will be used by Loop to enhance the Company's solution stack in multiple ongoing conversations with Loop's current and potential customers.

- On September 18, 2019, the Company announced that David Salisbury, former Star Micronics Director of Product Development, has been appointed Loop's Chief Strategy Officer. In this newly created position, Mr. Salisbury will work closely with the CEO, Rob Anson and be responsible for guiding the development of the company's strategic priorities across all corporate initiatives.

- On September 18, 2019, the Company announced that Paul Assaly, former Senior Executive at Telus Communications, has been appointed Loop's VP. Business Development. In this newly created position, Mr. Assaly will work closely with the CEO, Rob Anson and be responsible for guiding the development and execution of the company's global omni-channel go to market strategy.

- On September 23, 2019, the Company announced that it has signed an LOI with All Net LLC ("All Net") to enter into a business partnership, whereby Loop will supply its AI marketing intelligence solutions to the All Net Stadium Project in Las Vegas, NV.

- On October 17, 2019, the Company announced a strategic partnership with Alberta Liquor Store Association ("ALSA") following a previously announced partnership agreement with Barnet POS Systems Corp., a provider of Point of Sale Terminals and ancillary services across Canada and the US with a focus on the Liquor and Food & Beverage sectors.

- On September 17, 2019 and October 10, 2019, the Company issued a total of 2,350,145 units pursuant to an ongoing private placement at a price of $0.28 for gross proceeds of $658,041. Each unit includes one common share and one share purchase warrant exercisable at a price of $0.28 for one common share of the Company for a period of three years. In connection with the units issued, the Company paid cash finders' fees of $50,403 and issued 180,011 share purchase warrants exercisable at a price of $0.35 for one common share of the Company for periods ranging form one to three years.

OTHER MD&A REQUIREMENTS

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

b) Disclosure of June 30, 2019 and the date of this MD&A, the Company has 58,889,377 and 61,796,674 issued and outstanding common shares respectively.

c) Options
As at June 30, 2019, there are 8,144,000 options outstanding.

d) Warrants
As at June 30, 2019, the Company has 10,970,086 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 2(b) of the Company’s annual audited consolidated financial statements for the year ended June 30, 2019.

FINANCIAL INSTRUMENTS AND FINANCIAL RISK FACTORS

Cash is carried at fair value using a level 1 fair value measurement. The carrying value of receivables, accounts payable and accrued liabilities and loans payable 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, 2019, the Company had a cash balance of $227,678 to settle current liabilities of $2,271,517.

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 on-going developments of its technology, such capital to be derived from the completion of other equity financings. The Company has limited financial resource and has no assurance that additional funding will be available to it for future development of its technology, although the Company has been successful in the past in financing its activities through the previously mentioned financing activities. The ability of the Company to arrange additional financing in the future will depend, in part, on the prevailing capital market conditions and the success of its technology. 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 and cash equivalents and short-term investments. The Company limits exposure to credit risk on liquid financial assets through maintaining its cash with high-credit quality financial institutions. Receivables consist mainly 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 and restricted 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, 2019, the Company did not have any investments in investment-grade short-term deposit certificates.

b) Foreign currency risk

The Company is not exposed to any foreign currency risk fluctuations.

c) Price risk

The Company is currently not exposed to any price risk.

Other MD&A Requirements

Disclosure of Outstanding Share Data

a. Authorized:

58,889,377 common shares with no par value

b. Common Shares Issued:

Balance, June 30, 2019	58,889,377
Balance October 28, 2019	61,796,674

As of this reporting date, there were no common shares held in escrow.

Risk Factors

The Company is focused on more select market introduction and development. The failure to generate future sales in the Company's main products could have a significant and adverse affect on the Company.

The Company success will depend in large measure on certain key personnel. The loss of the services of such key personnel could have a material adverse affect on the Company. The Company does not anticipate having key person insurance in effect for management. However, the Company will institute an insurance policy that provides directors and officers a minimum of $2 million liability coverage in the coming quarters. The contributions of these individuals to the immediate operations of the Company are of central importance. In addition, there can be no assurance that the Company will be able to continue to attract and retain all personnel necessary for the development and operation of its business.

The Company has incurred a net loss for the year ended June 30, 2019 of $13,663,010 and has a deficit of $22,743,687 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 curtail or reduce its operations to continue as a going concern.

In addition, the Company’s limited working capital could affect the Company’s ability to seize upon opportunities requiring investment, or to reinvest in its products in a timely manner.

APPENDIX 1

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.