Trading Symbols
(TSX-V: ELL; OTC: LMDCF; FSE: LIMA)

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Everybody Loves Languages Corp.

(Formerly Lingo Media Corporation)

Form 51 – 102 F1

Management Discussion & Analysis

For the year Ended December 31, 2022

April 28, 2023

MANAGEMENT DISCUSSION & ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2022

Notice to Reader

*The following Management Discussion & Analysis ("MD&A") of Everybody Loves Languages Corp.'s (the "**Company**" or "**Everybody Loves Languages**") financial condition and results of operations, prepared as of April 28, 2023, should be read in conjunction with the Company's Consolidated Financial Statements and accompanying Notes for the years ended December 31, 2022 and 2021, which have been prepared in accordance with International Financial Reporting Standards are incorporated by reference herein and form an integral part of this MD&A. All dollar amounts are in Canadian Dollars unless stated otherwise. These documents can be found on the SEDAR website www.sedar.com.*

Our MD&A is intended to enable readers to gain an understanding of Everybody Loves Languages' s current results and financial position. To do so, we provide information and analysis comparing the results of operations and financial position for the current year to those of the preceding comparable year. We also provide analysis and commentary that we believe is required to assess the Company's prospects. Accordingly, certain sections of this report contain forward-looking statements that are based on current plans and expectations. These forward-looking statements are affected by risks and uncertainties that are discussed in this document and that could have a material impact on prospects. Readers are cautioned that actual results could vary.

Cautions Regarding Forward-Looking Statements

This MD&A contains certain forward-looking statements, which reflect management's expectations regarding the Company's results of operations, performance, growth, and business prospects and opportunities.

Statements about the Company's future and intentions, results, levels of activity, performance, goals or achievements or other future events constitute forward-looking statements. Wherever possible, words such as "may", "will", "should", "could," "expect," "plan," "intend," "anticipate," "believe," "estimate," "predict," or "potential" or the negative or other variations of these words, or similar words or phrases, have been used to identify these forward-looking statements. These statements reflect management's current beliefs and are based on information currently available to management as at the date hereof.

Forward-looking statements involve significant risk, uncertainties and assumptions. Many factors could cause actual results, performance or achievements to differ materially from the results discussed or implied in the forward-looking statements. These factors should be considered carefully, and readers should not place undue reliance on the forward-looking statements. Although the forward-looking statements contained in this MD&A are based upon what management believes to be reasonable assumptions, the Company cannot assure readers that actual results will be consistent with these forward-looking statements. These forward-looking statements are made as of the date of this MD&A, and the Company assumes no obligation to update or revise them to reflect new events or circumstances, except as required by law. Many factors could cause the actual results, performance or achievements of the Company to be materially different from any future results, performance or achievements that may be expressed or implied by such forward-looking statements, including: general economic and market segment conditions; competitor activity; product capability and acceptance; and international risk and currency exchange rates and technology changes. More detailed assessment of the risks that could cause actual results to materially differ than current expectations is contained in the "Quantitative and Qualitative Disclosures of Market Risk" section of this MD&A.

Summary Description of Everybody Loves Languages

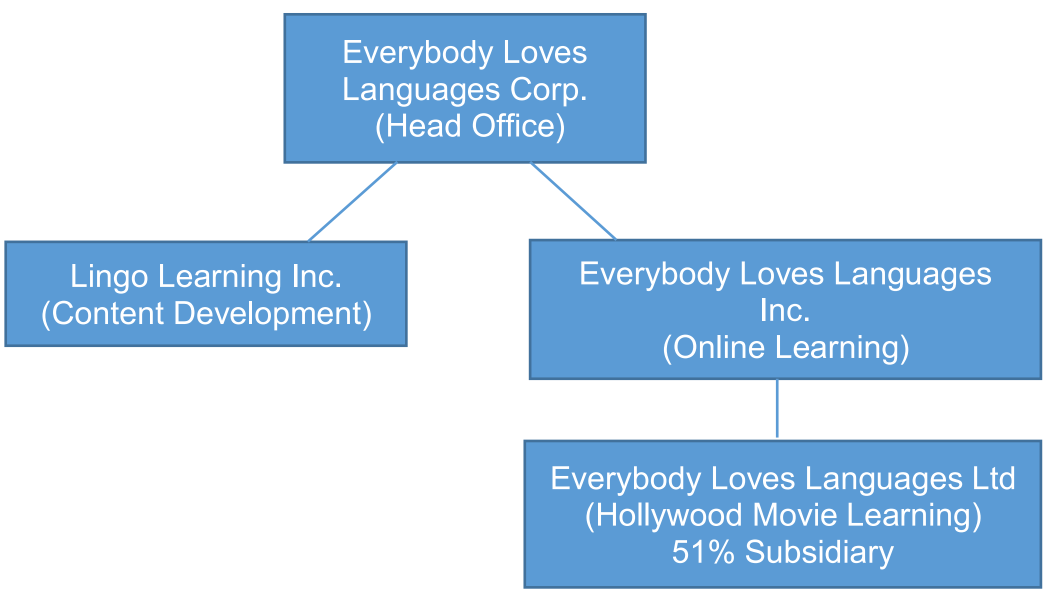
Everybody Loves Languages Corp. ("**Everybody Loves Languages**", "**ELL Corp.**," the "**Company**," "we" or" us"), formerly known as Lingo Media Corporation, is an edtech language-learning edutainment and content development company that provides online and print-based solutions through two distinct business units: Everybody Loves Languages Inc. ("**ELL**") and Lingo Learning Inc. ("**Lingo Learning**"), a state-of-the-art technology platform that delivers personalized learning experiences in classrooms and online. Its programs provide innovative SaaS-based e-learning solutions, including online and offline content, a learning management system, assessments, real-time reports, speech recognition technology, and white-label tools. ELL's market consists of educational institutions (such as elementary schools, high schools, vocation schools, universities, etc.) and corporations. It sells its online language learning solutions primarily in Latin America, Asia, Europe, and the U.S.

The Company empowers language educators to easily transition from traditional teaching methods to digital learning with a course portfolio that offers more than 3,000 hours of learning material and proprietary content for online and blended learning.

Learning a new language is one of the most challenging learning experiences a student can pursue. But studies confirm that combining movies with language lessons is a great way to learn languages. A huge obstacle in acquiring a second language is three-fold: engagement, structure, and interactivity. In September 2022, ELL announced a strategic partnership with Row 9-Digital which would undertake and develop Hollywood movie based lessons and activites to various age groups. Through this strategic partnership, ELL will use popular movies – such as Spiderman, Soul, Lightyear, Encanto, and West Side Story among the many in its library. The new partnership combines ELL's learning management system and content with Row 9-Digital's AcadeMe+ interactive lesson program that uses an innovative AI-enabled film search engine to provide teachers with educational and student-engaging content. The new business unit operates under the subsidiary, Everybody Loves Languages Ltd.

Everybody Loves Languages' strategy is to focus on sales channels and relationships while continuously investing in and developing its content and technology offerings. In addition, the Company will seek licensing opportunities to its platform with large publishers who wish to offer a unique and competitive advantage solution to their client base.

Corporate Structure



Corporate Highlights

- ✓ In February 2022, the Company engaged the services of Generation IACP to provide services as a market maker in compliance with the policies and guidelines of the TSX Venture Exchange and other applicable legislation.
- ✓ Everybody Loves Languages ("ELL") entered a strategic partnership with Row 9-Digital to develop and sell language learning programs based on Hollywood movies, incorporating the learning into the movie player. The Hollywood content is branded under the name Academe+. The strategic partnership is structured on a 51% ownership by ELL and 49% by Row 9-Digital.
- ✓ ELL entered into an agreement with Oak Hill Financial to provide business, capital markets, and investor relations advisory services.
- ✓ After the quarter end, ELL held its Annual and Special Meeting of Shareholders (the "**Annual Meeting**"). At the Annual Meeting, the shareholders re-elected Messrs. Gali Bar-Ziv, Khurram Qureshi, Robert Martellacci, Laurent Mareschal and Tommy Weibing Gong as directors of the Company. In addition, shareholders also approved the re-appointment of RSM Canada LLP, Chartered Professional Accountants as auditors.

  The Directors held a board meeting after the Annual Meeting and re-appointed Gali Bar-Ziv as President & CEO and Khurram Qureshi as Chief Financial Officer.

  At the Annual Meeting, shareholders approved the name change of Lingo Media Corporation to Everybody Loves Languages Corp. As part of the name change, effective at the start of trading on October 17, 2022, Everybody Loves Languages Corp. commenced trading on the TSX Venture Exchange under the new trading symbol "ELL" and continued to trade on the OTC Market under the trading symbol "LMDCF" and on the Frankfurt Stock Exchange under the trading symbol "LIMA".

Operational Highlights

- Online English Language Learning:
  - ✓ Completed development of Levels 2 & 3 of its new primary school solution
  - ✓ Developed Learning Tools Interoperability (LTI) - which is an education technology specification developed by the IMS Global Learning Consortium. It specifies a method for a learning management system to communicate with external system, including ELL's LMS. Added SSO to LTI in later of the year
  - ✓ Showcased ELL products at BETT 2022 EdTech conference in London
  - ✓ Presented at GESS EdTech conference in Dubai
  - ✓ Added sales and customer success personnel for Latin America and Asia.
  - ✓ Released new reports analytics to its clients
  - ✓ Initiated development of lesson exercises for ELL's Ola APP
  - ✓ For ELL's primary school product- designed gamification tools to improve engagement
  - ✓ Executed email campaigns to teachers, subscribers, distributors, and direct customers which resulted in increased engagement and sales inquiries and pipeline
  - ✓ Updated the elltechnologies.com website to include a Spanish version
  - ✓ ELL expanded its English language learning service offerings in Israel. Everybody Loves Language courses are now being marketed and sold by CES Israel, an online learning company that services corporations, educational institutions, and families across Israel.

- ✓ ELL launched a new English language learning course, English Teacher Prep (ETP), to its portfolio of products and service offering. The ETP course provides an essential professional growth opportunity for teachers looking to strengthen their English proficiency and delivers critical methodologies for teaching English as a foreign language. The program was created by experts in curriculum design and features 120 hours of learning content.
- ✓ ELL was selected as official English language learning partner for Colsubsidio schools in Colombia to provide a complete suite of digital education products. Colsubsidio is implementing ELL's proprietary learning management system and its Campus English course and testing suite.
- ✓ ELL won contract with Sophia Educational Group, a leading language training and test-prep education provider in Colombia. The ELL language-learning system will be offered to students from preschool to grade 11.
- ✓ After the period ended September 30, 2022, ELL Ltd. signed an exclusive distribution agreement with Unlimited Educational Service, the largest language learning digital and print content developer and distributor in Turkey. As part of the distribution agreement, UES will market ELL's full suite of products including its movie-based lessons.
- ✓ ELL Testing platform was approved by the Ministry of Education of Ecuador as a certified proficiency test for Ecuador.

- Print-Based English Language Learning:
  - ✓ Expanded existing market for *PEP Primary English* program into one additional province in China
  - ✓ Initiated the development of content and material for its Grade 3 textbooks for China market

Strategic Partnership

On September 12, 2022, the Company announced its strategic partnership with Row 9-Digital to develop and sell language learning programs that teach reading, writing, speaking and listeng skills by using Hollywood film clips from popular movies. The new business unit will operate under a subsidiary, Everybody Loves Languages Ltd. ("ELL Ltd") launching a suite of products in the edutainment field that will entertain and educate students at the same time. ELL Owns a 51% stake, and Row 9-Digital holds a 49% stake in the new venture.

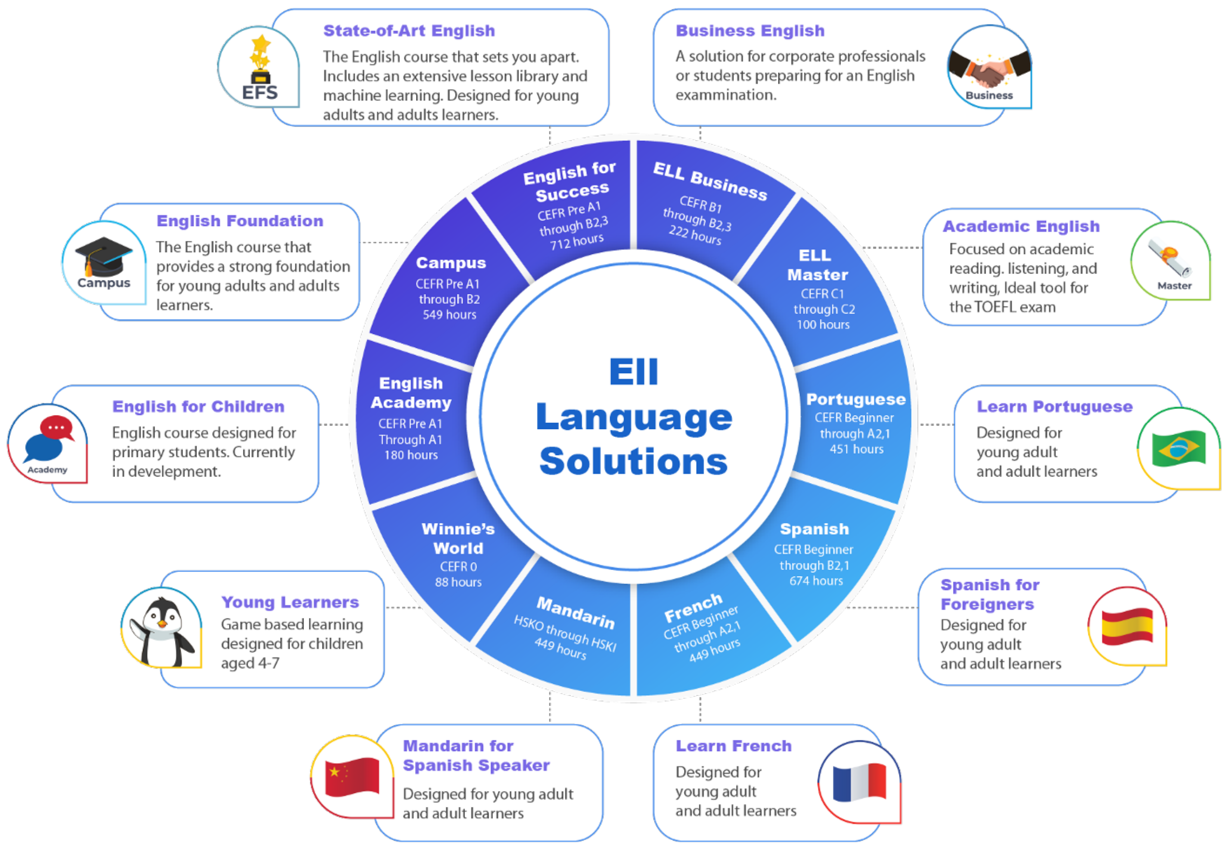
The license agreement with Row 9-Digital requires ELL Ltd. to pay advanced license fees to Row 9-Digital in the amount of U.S.$350,000 Minimum Guarantee Payments ("MGP") as follows: 25% being U.S. $87,500 upon the execution of the agreement; 25%, being U.S. $87,500 within 90 days the execution of the agreement; further 21%, being U.S. $73,500 within 120 days of the execution of the agreement. The remaining 29%, being the sum of U.S. $101,500 will be paid within 36 months of the execution of the agreement. During the year, the Company has paid 50% of MGP, which is U.S. $175,000, equivalent to Canadian Dollar $232,295 and such amount was included in Prepaid and other receivables.

Exchange Difference Related to Disposal of Foreign Subsidiary

During the year, the Company dissolved its foreign subsidiary ELL Technologies Limited in United Kingdom. As required by IAS 21, paragraph 48, any accumulated other comprehensive income (AOCI) related to the subsidiary has been reclassified to profit or loss. The reclassification of AOCI resulted in a loss of $283,912 which has been included in profit or loss for the year ended.

Online Language Learning

ELL has developed and markets one of the largest libraries of online language learning resources in the world. The library provides more than 3,000 hours of interactive learning through several product offerings that include *Winnie's World, English Academy, Campus*, *English for Success*, AcadeMe English, AcadeMe Junior, *Master* and *Business* English in addition to courses that teach French, Mandarin, Spanish, and Portuguese languages. ELL's programs are primarily marketed in Latin America, Asia, part of Europe, and the U.S. through a network of distributors and direct sales personnel and the company generates revenues from online and offline licensing fees from its suite of web-based language learning products and applications.



ELL's high-tech, easy to implement e-learning Software-as-a-Service solutions provides learners of all ages and levels of English proficiency with a platform to further their language learning development.

All products have been designed by ELL to market and sell its proprietary products to academic institutions and governments. Educators who license the platform can easily assign, and arrange lessons and courses as they see fit, including personalizing the learning to a particular individual's needs and progress.

Formative assessments and data gathering functionality enables ELL to adapt and improve content. Based on that data, the company can continue to innovate and improve to address specific problem areas and to make learning more accessible, efficient and measurable. Built for learners, by experienced educators, ELL empowers teachers and allows them to easily transition from pure classroom paper-based teaching to the online world.

Content-Based English Language Learning

The Company continues to maintain its legacy textbook publishing business through Lingo Learning Inc., a content-based publisher of English language learning programs in China since 2001. Lingo Learning has an established presence in China's education market of over 300 million students. To date, it has co-published more than 870 million units from its library of program titles.

Overall Performance

During 2022, Everybody Loves Languages recorded revenues of $2,272,764 as compared to $2,639,850 in 2021, a decrease of 14%. Net loss was $186,602 as compared to net profit $779,093 in 2021 resulting in a $(0.00) loss per share as compared to $0.02 earnings per share in 2021. Total comprehensive income was $61,807 as compared to a total comprehensive income of $726,573 in 2021. Share-based payments of $89,832 was recorded in 2022 as compared to $55,932 in 2021. In addition, cash used in operations in 2022 was $423,392 as compared cash generated from $650,300 in 2021.

Online English Language Learning

ELL earned revenue from its portfolio of products of $530,997 for the year, compared to $613,003 in 2021, a decrease of 13%. This decrease is primarily due to apostponded project engagement.

Content-Based English Language Learning

Lingo Learing's royalty revenue decreased 14% to $1,741,767 in 2022 compared to $2,026,847 in 2021 from People's Education Press and People's Education & Audio Visual Press. This is primarily due to People Education Press' change in period calculation. digital right sales report was delayed in China.

Lingo Learning earns royalty revenues from its key customer, People's Education Press and People's Education & Audio-Visual Press (collectively "PEP"), who are China's State Ministry of Education's publishing arm, on the following basis:

Lingo Learning earns significantly higher royalties from Licensing Sales compared to Finished Product Sales. People's Education Press provides Lingo Learning with sales reconciliations on a semi-annual basis. People's Education & Audio-Visual Press provides Lingo Learning with sales reconciliations on a quarterly basis. Revenue from royalty and licensing sales is recognized based on confirmation of finished products produced by Lingo Learning's co-publishing partners and when collectability is reasonably assured. Royalty revenue from audiovisual products is recognized based on the confirmation of sales by its co-publishing partners, and when collectability is reasonably assured. Royalty revenues are not subject to right of return or product warranties. This revenue recognition policy causes an impact of higher revenues in the second and the fourth quarter of the year and lower revenues in the first and the third quarter.

Subsequent to year end, Lingo Learning entered into an Agreement with People Education Press for an additional 5 years, starting in 2024.

Market Trends and Business Uncertainties

Everybody Loves Languages believes that the global market trends in English language learning are strong and will continue to grow. Developing countries around the world, specifically in Latin America and Asia are expanding their mandates for the teaching of English amongst students, young professionals and adults.

The British Council estimates that language learning market will reach $172 Billion by 2027. Meticulous Market Research forecasts that English language learning market will reach $49 Billion by 2027. According to Technavio, a leading market research and advisory company, Digital English language learning market is expected to grow at a 20% CAGR. Brandessence Market Research estimates English Language Learning Market Growth rate will be 18.7% CAGR by 2027.

Latin American Region

The Inter-American Dialogue recently noted that while English language training programs exist in various forms throughout Latin American region, there are three key factors that these programs must address to be successful: ensuring continuity, developing a strong monitoring and evaluation framework that informs adaptation, and addressing the lack of sufficient quality teachers. Students attending English language training ("ELT") classes in Latin America accounted for approximately 14 per cent of worldwide revenues, or US$321 million in 2021. Growth has been very rapid in the Latin American region and represents a particularly strong opportunity moving forward relative to other geographic regions.

Asia-Pacific Region

Technavio forecasts the English language training ("**ELT**") market in China to be worth $75 Billion by 2022, growing at a CAGR of 22%. The growth of the ELT market in China is driven by more people desiring to learn English, the adaptation of smartphones, increasing levels of disposable income, and the inherent advantages of online education. Technavio also notes that 49% of the growth in the global digital English language learning market will come from the Asia-Pacific region.

Everybody Loves Languages is positioned to take advantage of the market opportunity for English language training in Latin America and Asia, with its scalable digital language learning technology and solutions. Although the market outlook remains positive, there can be no assurance that this trend will continue or that the Company will benefit from this trend.

General Financial Condition

As at December 31, 2022, Everybody Loves Languages had working capital balance of $2,793,611 compared to $2,712,411 as at December 31, 2021. Net loss for the year ended December 31, 2022 was $186,602 compared to net profit of $779,093 for the year ended December 31, 2021.

Financial Highlights

For the Year Ended December 31	2022	2021
Revenue		
Print-Based English Language Learning	$1,741,767	$2,026,847
Online English Language Learning	530,997	613,003
	2,272,764	2,639,850
Net Profit (Loss) for the Year	(186,602)	779,093
Loss for the Year Attributable to:		
Non-Controlling Interest	(100,221)	-
Shareholders of ELL Corp.	(86,381)	779,093
Earnings (Loss) per Share		
Basic	$(0.00)	$0.02
Fully Diluted	$(0.00)	$0.02
Total Assets	3,487,326	3,096,617
Working Capital	2,793,611	2,712,411
Cash Provided (Used in) – Operations	(423,392)	650,300

The Company had cash on hand as at December 31, 2022 of $1,463,247 (2021 - $1,880,830) and accounts receivable of $1,650,766 (2021 - $1,101,908) to settle its current liabilities of $679,353 (2021 - $367,083) leaving a working capital balance of $2,793,611 (2021 - $2,712,411). Subsequent to the year-end, $1,604,764 of accounts receivable was received.

Results of Operations

Revenue

During the year, Everybody Loves Languages earned $530,997 in online licensing sales revenue as compared to $613,003 in 2021. Revenues from content-based English language learning for the year were $1,741,767 compared to $2,026,847 in 2021. Direct costs associated with content-based revenue are relatively modest and have been consistent throughout the years. The Company continues to maintain its relationship with PEP and PEP AV and is investing in the development of its existing and new programs and marketing activities to maintain and increase its royalty revenues.

During 2022, Everybody Loves Languages recorded revenues of $2,272,764 as compared to $2,639,850 in 2021. Net loss was $186,602 as compared to net profit $779,093 in 2021 resulting in a $0.00 loss per share as compared to $0.02 earnings per share in 2021.

Selling, General and Administrative

Selling, general and administrative expenses were $1,308,661 compared to $1,036,314 in 2021. Selling, general and administrative expenses for the three segments are segregated below.

(i) Content-Based English Language Learning

Selling, general and administrative cost for content-based ELL increased from $324,686 in 2021 to $356,133 in 2022. In 2022, the Company received $281,184 from Canada Book Fund, compared to 2021, the Company received (i) $263,889 from the Canada Book Fund, (ii) $14,637 from the Canada Emergency Wage Subsidy as reduction of Selling, General and Administrative Expense. In 2022, the Company enhanced its marketing strategy and invested more in sales and marketing efforts. Below is a breakdown of selling, general and administrative costs directly related to content-based English language learning:

For the Year Ended December 31		**2022**		2021
Sales, marketing & administration	**$**	**281,310**	$	138,713
General admin expense recovery		**-**		(7,145)
Loss on disposal		**-**		2,445
Consulting fees & salaries		**283,100**		414,343
Travel		**40,610**		10,745
Premises		**17,008**		31,183
Professional fees		**15,289**		12,929
Less: Grants		**(281,184)**		(263,889)
Government subsidies		**-**		(14,637)
	$	**356,133**	$	324,686

(ii) Online English Language Learning

Selling, general and administrative cost related to online English language learning was $184,726 for the year compared to a recovery of $156,181 in 2021. In 2022, the Company received $15,000 from Technation Canada, part of the Government of Canada's Student Work Placement Program. In 2021, the Company received $15,000 financial support from Technation and recorded $10,000 loan forgiveness related to CEBA, as reduction of Selling, General and Administrative Expense.

For the Year Ended December 31		**2022**		2021
Sales, marketing & administration	**$**	**152,760**	$	93,185
Consulting fees & salaries		**20,584**		54,539
Travel		**8,600**		1,550
Premises		**1,200**		9,000
Professional fees		**16,582**		22,907
Less: Government subsidies		**-**		(10,000)
Grants - Technation		**(15,000)**		(15,000)
	$	**184,726**	$	156,181

(iii) Head Office

Selling, general and administrative costs related to head office was $767,802 for the year compared to $555,447 in 2021. Selling, general and administrative costs for this reporting unit increased in 2022 as compared to 2021, which is the result of increase on expenditures related to professional fees and sharesholder services.

For the Year Ended December 31		**2022**		2021
Sales, marketing & administration	**$**	**164,410**	$	78,083
Consulting fees & salaries		**395,270**		353,132
Travel		**218**		734
Shareholder services		**111,809**		54,052
Professional fees		**96,095**		68,645
Loss on disposal		**-**		801
	$	**767,802**	$	555,447
Total Selling and Administrative Expenses	**$**	**1,308,661**	$	1,036,314

Net Income (Loss)

Net loss for the year ended December 31, 2022 was $186,602 as compared to net income $779,093 in 2021. This is due to the Company invested significant resource in developing new solutions around hollywood based movie lessons. During the year, the Company dissolved its foreign subsidiary ELL Tecnologies Limited in UK. As required by IAS 21, paragraph 48, any accumulated other comprehensive income (AOCI) related to the subsidiary has been reclassified to profit or loss.

Total comprehensive income for the Company was $61,807 for the year ended December 31, 2022 as compared to total comprehensive income $726,573 in 2021. Total comprehensive loss can be attributed to the two operating segments and head office as a reporting segement as shown below:

Online ELL		2022		2021
Revenue	$	530,997	$	613,003
Expenses:				
Direct costs		127,951		126,254
General & administrative		184,726		156,181
Development costs		364,043		242,904
Exchange difference related to disposal of foreign subsidiary		283,912		-
Amortization of property & equipment		1,175		1,110
		961,807		526,449
Segmented Profit (Loss) - Online ELL	**$**	**(430,810)**	**$**	**86,554**
Loss for the Year is Attributable to:				
Non-controlling interest		(100,221)		-
Shareholders of ELL Corp.		(330,589)		86,554

Content-Based ELL		2022		2021
Revenue	$	1,741,767	$	2,026,847
Expenses:				
Direct costs		154,482		191,373
General & administrative		356,133		324,686
Development costs		65,470		-
Amortization of property & equipment		2,279		4,149
Amortization of office lease		-		16,788
Income taxes and other taxes		278,163		188,903
		856,527		725,899
Segmented Profit – Content-Based ELL	**$**	**885,240**	$	1,300,948

Head Office				
Expenses:				
General & administrative	$	767,802	$	555,447
Amortization of property & equipment		298		297
		768,100		555,744
Total Segmented Profit (Loss)	**$**	**(313,670)**	**$**	**831,757**
Other				
Foreign exchange gain	$	215,996	$	16,957
Interest and other financial expenses		904		(13,690)
Share-based payment		(89,832)		(55,932)
Exchange difference related to disposal of foreign subsidiary		283,912		-
Other comprehensive loss		(35,503)		(52,520)
		375,477		(105,185)
Total Comprehensive Income	**$**	**61,807**	**$**	**726,573**
Loss for the Year is Attributable to:				
Non-controlling interest		(100,221)		-
Shareholders of ELL Corp.		162,028		726,573
	$	**61,807**	**$**	**726,573**

Foreign Exchange

The Company recorded a foreign exchange gain of $215,996 as compared to $16,957 in 2021, relating to the Company's currency risk through its activities denominated in foreign currencies as it is exposed to foreign exchange risk as a significant portion of its revenue and expenses are denominated in Chinese Renminbi and US Dollars.

Share-Based Payments

The Company amortizes share-based payments with a corresponding increase to the contributed surplus account. During the year, the Company recorded an expense of $89,832 compared to $55,932 in 2021.

Net Profit (Loss) for the Year

The Company reported a net loss of $186,602 for the year as compared to net profit of $779,093 in 2021.

Total Comprehensive Income (Loss)

The total comprehensive income (loss) is calculated after the application of exchange differences on translating foreign operations gain/(loss). The Company reported a total comprehensive income of $61,807 for the year ended December 31, 2022, as compared to a comprehensive income of $726,573 in 2021.

Summary of Quarterly Results

	Q1 –22	Q2 - 22	Q3-22	Q4 – 22
Revenue	$ 159,146	$ 980,664	$181,014	$951,940
Income / (Loss) Before Taxes and Other Comprehensive Income	(328,410)	636,397	(111,271)	$178,757
Total Comprehensive Income / (Loss)	(326,838)	536,024	(150,909)	$3,530
Income / (Loss) per Share (Basic)	$(0.01)	$0.02	$(0.00)	$0.00
	Q1 – 21	Q2 - 21	Q3-21	Q4 – 21
Revenue	$ 149,080	$ 1,030,518	$ 163,493	$1,296,759
Income / (Loss) Before Taxes and Other Comprehensive Income	(416,801)	801,677	(295,239)	$878,359
Total Comprehensive Income / (Loss)	(268,257)	451,588	(226,580)	$769,822
Income / (Loss) per Share (Basic)	$(0.01)	$0.02	$(0.01)	$0.02

Lingo Learning earns royalty revenues from its key customer, People's Education Press and People's Education & Audio Visual Press (collectively "PEP"), who are China's State Ministry of Education's publishing arm, on the following basis:

Lingo Learning earns significantly higher royalties from Licensing Sales compared to Finished Product Sales. People's Education Press provides Lingo Learning with sales reconciliations on a semi-annual basis. People's Education & Audio Visual Press provides Lingo Learning with sales reconciliations on a quarterly. Revenue from royalty and licensing sales is recognized based on confirmation of finished products produced by the Company's co-publishing partner and when collectability is reasonably assured. Royalty revenue from audiovisual products is recognized based on the confirmation of sales by its co-publishing partner, and when collectability is reasonably assured. Royalty revenues are not subject to right of return or product warranties. This revenue recognition policy causes an impact of higher revenues in the second and the fourth quarter of the year and lower revenues in the first and the third quarter.

Fourth Quarter 2022

In the fourth quarter, the Company earned revenue of $951,940 in 2022 as compared to $1,296,759 same period in 2021. In Q4, the Company recorded $787,465 royalty revenues and $164,475 of online licensing sales compared to $1,109,552 royalty revenues and $187,207 of online licensing sales in Q4 2021. The Company recorded a total comprehensive income of $3,530 in the fourth quarter as compared to $769,822 in the same period of 2021.

Liquidity and Capital Resources

As at December 31, 2022, the Company had cash of $1,463,247 compared to $1,880,830 as of December 31, 2021. Accounts and grants receivable of $1,650,766 were outstanding at the end of the year compared to $1,101,908 in 2021. With 97% of the receivables from PEP and PEP AV and the balance due from ELL's customers. Subsequent to the year-end, the Company received $1,604,764 from PEP and PEP AV. Total current assets amounted to $3,472,964 (2021 - $3,079,494) with current liabilities of $679,353 (2021 - $367,083) resulting in working capital balance of $2,793,611 (2021 - $2,712,411).

Lingo Learning receives government grants based on certain eligibility criteria for publishing industry development in Canada and for international marketing support. These government grants are recorded as a reduction of general and administrative expenses to offset direct expenditure funded by the grant. The Company receives these grants throughout the year. The grant is applied based on Lingo Learning meeting certain eligibility requirements. The Company has relied on obtaining these grants for its operations and has been successful at securing them in the past, but it cannot be assured of obtaining these grants in the future.

ELL has access to working capital through equity financings and/or debt financings, if required to finance its growth plans and expansion into new international markets. The Company has been successful in raising sufficient working capital in the past.

Off-Balance Sheet Arrangements

The Company has not entered into any off-balance sheet finance arrangements.

Transactions with Related Parties

The Company's key management includes Gali Bar-Ziv, President & CEO and Khurram Qureshi, CFO in addition to its Board of Directors.

The Company had the following transactions with related parties, made in the normal course of operations, and accounted for at an amount of consideration established and agreed to by the Company and related parties.

The Company charged $Nil (2021 - $7,533) to three corporations with directors in common for rent, administration, office charges and telecommunications of which, $Nil (2021 - $483) is included in accounts receivable.

During the year, the Company inccurred $36,000 (2021 - $6,900) director fees to independent directors of which $9,390 is unpaid and included in accounts payables.

Key management compensation was $315,270 (2021 – $359,132) and is reflected as consulting fees paid to corporations owned by a director and officers of the Company.

At the end of the year, $7,247 (2021 - $3,671) expense reimbursement was included in accounts payble and $7,381 (2021 - $7,381) expense advance was included in prepaid expense.

During the fiscal year, the Company granted Nil (2021 - 1,740,000) options to directors and management with a value of $Nil (2021 - $104,400).

Recently Adopted Account Policy

The Company has adopted IFRS 16 retrospectively from January 1, 2020, but has not restated comparative information, as permitted under the specific transitional provisions in the standard in accordance with the modified retrospective approach for adoption. The reclassifications and the adjustments arising from the new leasing standard are therefore recognized in the opening consolidated balance sheet on January 1, 2020.

Under IFRS 16, a lessee recognizes a right-of-use asset and a lease obligation. The right-of-use asset is treated similarly to other non-financial assets and depreciated accordingly and the liability accrues interest. This will typically produce a front-loaded expense profile (whereas operating leases under IAS 17 would typically have had straight-line expenses) as an assumed linear depreciation of the right-of-use asset and the decreasing interest on the liability will lead to an overall decrease of expense over the reporting period. Upon adoption, the Company has elected to apply the available exemptions for short-term leases and leases of low-value assets. The Company has also elected to apply the practical expedient whereby leases whose term ends within 12 months of the date of the initial application would be accounted for in the same way as short-term leases. The Company has elected to use the practical expedient of excluding initial direct costs from the measurement of the right of use asset cost at the date of initial application.The Company has recognized low-value assets and short-term lease payments as an expense on a straight-line basis over the lease term.
The lease obligation is initially recognized as the present value of future lease payments discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Company's applicable incremental borrowing rate. Lease payments do not include variable lease payments other than those that depend on an index or rate. The incremental borrowing rate is the rate which the Company would have to pay to borrow, over a similar term and with a similar security, the funds necessary to obtain an asset of similar value to the right-of-use asset.

The Company has included the estimated extension of their lease in the lease term in assessing the present value of future lease payments. The lease obligation is subsequently measured by reducing the carrying amount to reflect lease payments made and to reflect any reassessments or modifications.

The right-of-use asset is initially measured at cost, which comprises the amount of the initial measurement of the lease liability adjusted for lease inducements. The right-of-use asset is subsequently measured at cost less accumulated depreciation and any accumulated impairment losses and adjusted for any remeasurement of the lease obligation. Right-of use assets are depreciated in accordance with the Company's accounting policy for property and equipment.

On transition to IFRS 16, the Company recognized a right of use asset and lease obligation of $Nil. The recognition of the right of use asset is considered non-cash items within the statement of cash flows.

Additional Disclosure

PROPERTY AND EQUIPMENT

	Computer and Office Equipment	Leasehold Improvements	Total
Cost, January 1, 2021	$ 86,952	$ 33,180	$ 120,132
Additions	2,248	-	2,248
Disposal	(33,384)	-	(33,384)
Effect of foreign exchange	(172)	-	(172)
Cost, December 31, 2021	**$ 55,644**	**$ 33,180**	**$ 88,824**
Additions	991	-	991
Cost, December 31, 2022	**$ 56,635**	**$ 33,180**	**$ 89,815**
Accumulated depreciation, January 1, 2021	$ 64,689	$ 31,758	$ 96,447
Charge for the year	4,134	1,422	5,556
Disposal	(30,134)	-	(30,134)
Effect of foreign exchange	(168)	-	(168)
Accumulated depreciation, December 31, 2021	**$ 38,521**	**$ 33,180**	**$ 71,701**
Charge for the year	3,752	-	3,752
Accumulated depreciation, December 31, 2022	**$ 42,273**	**$ 33,180**	**$ 75,453**
Net book value, December 31, 2021	$ 17,123	$ -	$ 17,123
Net book value, December 31, 2022	**$ 14,362**	**$ -**	**$ 14,362**

RIGHT-OF-USE ASSET AND LEASE OBLIGATION

The Company had one office facility under lease. The lease term was 5 years from 2016, with an option to renew the lease for another 5 year term after that date. The Company did not renew the lease on expiry and the lease was expired on February 28, 2021. The lease expense for this office in Y2021 was $16,788. There is no non-cancellable lease rentals as of the end of the year.

There is equipment lease and office lease in Beijing which it has determined are not recognized as right of use assets or lease liabilities as they are low dollar value and short-term lease. The Beijing office lease expense for the year was $13,241.

The Company's lease obligation and movements therein during the year ended December 31, 2021:

		Lease Obligation
Lease obligation as of January 1, 2021	**$**	**19,600**
Lease payment		(19,600)
Lease obligation at December 31, 2021	**$**	**-**

The Company's right-of-use assets and movements therein during the year ended December 31, 2021:

		Office Lease
Right-of-use assets recognized on adoption of IFRS 16 on January 1, 2021	**$**	**16,788**
Depreciation on right-of-use assets		(16,788)
Right-of-use assets at December 31, 2021	**$**	**-**

FINANCIAL INSTRUMENTS

a. Fair values

The carrying value of cash and accounts and grants receivable, approximates their fair value due to the liquidity of these instruments. The carrying values of accounts payables and accrued liabilities and loans payables approximate their fair value due to the requirement to extinguish the liabilities on demand or payable within a year.

b. Financial risk management objectives and policies

The financial risk arising from the Company's operations are currency risk, liquidity risk and credit risk. These risks arise from the normal course of operations and all transactions undertaken are to support the Group's ability to continue as a going concern. The risks associated with these financial instruments and the policies on how to mitigate these risks are as follows:

(i) **Foreign currency risk**

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.

The Company's exposure to the risk of changesin foreign exchange rates relates primarily to t he Company's monetary assets and liabilities denominated in currencies other than the Canadian Dollar and the Company's net investments in foreign subsidiaries.

The Company operates internationally and is exposed to foreign exchange risk as certain expenditures are denominated in non-Canadian Dollar currencies.

The Company has been exposed to this fluctuation and has not implemented a program against these foreign exchange fluctuations.

A 10% strengthening of the US Dollars against Canadian Dollars would have increased the net equity by approximately $218,945 (2021 - $170,675) due to reduction in the value of net liability balance. A 10% of weakening of the US Dollar against Canadian Dollar at December 31, 2022 would have had the equal but opposite effect. The significant financial instruments of the Company, their carrying values and the exposure to other denominated monetary assets and liabilities, as of December 31, 2022 are as follows:

	2022	2021
	USD	USD
Cash	**494,740**	1,244,220
Accounts receivable	**1,196,372**	870,661
Accounts payable	**74,568**	28,757

(ii) Liquidity Risk

The Company manages its liquidity risk by preparing and monitoring forecasts of cash expenditures to ensure that it will have sufficient liquidity to meet liabilities when due. The Company's accounts payable and accrued liabilities generally have maturities of less than 90 days. At December 31, 2022, the Company had cash of $1,463,247 (2021 - $1,880,830), accounts receivable of $1,650,766 (2021 - $1,101,908) to settle current liabilities of $679,353 (2021 - $367,083).

(iii) Credit Risk

Credit risk refers to the risk that one party to a financial instrument will cause a financial loss for the counterparty by failing to discharge an obligation. The Company is primarily exposed to credit risk through accounts receivable. The maximum credit risk exposure is limited to the reported amounts of these financial assets. Credit risk is managed by ongoing review of the amount and aging of accounts receivable balances. As at December 31, 2022, the Company has outstanding receivables of $1,650,766 (2021 - $1,101,908). The Company reviews the components of these accounts on a regular basis to evaluate and monitor this risk. The Company's customers are generally financially established organizations, which limits the credit risk relating to the customers.

In addition, credit reviews by the Company take into account the counterparty's financial position, past experience and other factors. As at December 31, 2022, approximately 51%, $837,491 (2021 – 0.4%, $5,336) of accounts receivable balances over 30 days were not impaired. The consolidated entity has a credit risk exposure with a government agency of the People's Republic of China, which as at December 31, 2022 owed the consolidated entity $1,600,675 (97% of trade receivables) (2021: $1,095,939 (99% of trade receivables)). This balance was within its terms of trade and no impairment was made as at December 31, 2022. The Company's payment terms range from 30 days to 60 days from the invoice date. There are no guarantees against this receivable but management closely monitors the receivable balance on a monthly basis and is in regular contact with this customer to mitigate risk. Management believes that the expected credit loss allowance is adequate. The Company deposits its cash with high credit quality financial institutions, with the majority deposited within Canadian Tier 1 Banks.

Disclosure of Outstanding Share Data

As of April 28, 2023, the followings are outstanding:

Common Shares	–	35,642,524
Warrants	–	Nil
Stock Options	–	4,986,668

Approval

The Directors of Lingo Media have approved the disclosure contained in this MD&A.

Additional Information

Additional information relating to the Company can be found on SEDAR at www.sedar.com.