



INTRODUCTION

The following management's discussion and analysis ("MD&A") of the financial condition and results of the operations of Midpoint Holdings Ltd. (or the Company) constitutes management's review of the factors that affected the Company's financial and operating performance for the three months ended March 31, 2020. This MD&A was written to comply with the requirements of National Instrument 51-102 – *Continuous Disclosure Obligations*. This discussion should be read in conjunction with the audited consolidated financial statements of the Company for the year ended June 30, 2019, together with the notes thereto. Results are reported in Canadian dollars, unless otherwise noted. The Company's consolidated financial statements and the financial information contained in this MD&A are prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and interpretations of the International Financial Reporting Interpretations Committee ("IFRIC"). Information contained herein is presented as of March 31, 2020, unless otherwise indicated.

For the purposes of preparing this MD&A, management, in conjunction with the board of directors, considers the materiality of information. Information is considered material if: (i) such information results in, or would reasonably be expected to result in, a significant change in the market price or value of the common shares of the Company; (ii) there is a substantial likelihood that a reasonable investor would consider it important in making an investment decision; or (iii) it would significantly alter the total mix of information available to investors. Management, in conjunction with the board of directors, evaluates materiality with reference to all relevant circumstances, including potential market sensitivity.

Further information about the Company and its operations is available at the Company's offices or on SEDAR at www.sedar.com.

CAUTION REGARDING FORWARD-LOOKING STATEMENTS

This MD&A contains certain forward-looking information and forward-looking statements, as defined in applicable securities laws (collectively referred to herein as "forward-looking statements"). These statements relate to future events or the Company's future performance. All statements other than statements of historical fact are forward-looking statements. Often, but not always, forward-looking statements can be identified by the use of words such as "plans", "expects", "is expected", "budget", "scheduled", "estimates", "continues", "forecasts", "projects", "predicts", "intends", "anticipates" or "believes", or variations of, or the negatives of, such words and phrases, or state that certain actions, events or results "may", "could", "would", "should", "might" or "will" be taken, occur or be achieved. Forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause actual results to differ materially from those anticipated in such forward-looking statements. The forward-looking statements in this MD&A speak only as of the date of this MD&A or as of the date specified in such statement. Specifically, this MD&A includes, but is not limited to, forward-looking statements regarding: the Company's ability to protect its proprietary technology; the Company's ability to meet its working capital needs at the current level for the period ending March 31, 2020; the plans, costs, timing and capital for future development of the Company's assets, including the costs and potential impact of complying with existing and proposed laws and regulations; management's outlook regarding future trends; sensitivity analysis on financial instruments, which may vary from amounts disclosed; and general business and economic conditions.



Inherent in forward-looking statements are risks, uncertainties and other factors beyond the Company's ability to predict or control. These risks, uncertainties and other factors include, but are not limited to, changes in debt and equity markets, timing and availability of external financing on acceptable terms, increases in costs, interest rate and exchange rate fluctuations, as well as those risk factors listed in the "Risk Factors" section below. Readers are cautioned that the foregoing list is not exhaustive of the factors that may affect the forward-looking statements. Actual results and developments are likely to differ, and may differ materially, from those expressed or implied by the forward-looking statements contained in this MD&A. Such statements are based on a number of assumptions that may prove to be incorrect, including, but not limited to, assumptions about the following: the availability of financing for the Company's development of its assets; operating costs; the Company's ability to retain and attract skilled staff; timing of the receipt of regulatory and governmental approvals for operations; market competition; and general business and economic conditions.

Forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause the Company's actual results, performance, or achievements to be materially different from any of its future results, performance or achievements expressed or implied by forward-looking statements. All forward-looking statements herein are qualified by this cautionary statement. Accordingly, readers should not place undue reliance on forward-looking statements. The Company undertakes no obligation to update publicly or otherwise revise any forward-looking statements whether as a result of new information or future events or otherwise, except as may be required by law. If the Company does update one or more forward-looking statements, no inference should be drawn that it will make additional updates with respect to those or other forward-looking statements, unless required by law.

HIGHLIGHTS

For three months ended March 31, 2020, the Company recorded revenue of \$159,357 with the following business highlights:

- Average transaction size of over \$46,800.
 - Gross margin of 82.0%
- Basic and Diluted Loss per share (see below) of \$0.0092

As of this writing, over \$595 million has been matched on the Midpoint platform since inception in 2013 and over \$103 million was matched in the last 12 months. The Company continues to roll out weekly and monthly updates on its new platform.

On January 24, 2020, the Company announced that effective at the close of business on January 27, 2020, the Company will consolidate all outstanding common shares of the Company at a ratio of one (1) post-consolidated common share for every four (4) pre-consolidated common shares (the Consolidation). Following the Consolidation, the Company's issued and outstanding number of common shares as of opening of markets on January 28, 2020 will be reduced from 103,906,642 to approximately 25,976,660 common shares. Shareholders who would otherwise be entitled to receive a fraction of a common share will be rounded to the nearest whole number of common shares and no cash consideration will be paid in respect of fractional shares. Outstanding stock options and warrants would similarly be adjusted by the Consolidation ratio.

MIDPOINT HOLDINGS LTD.

MANAGEMENT DISCUSSION & ANALYSIS
FOR THE THREE AND NINE MONTHS ENDED MARCH 31, 2020
DISCUSSION DATED: MAY 28, 2020



On February 5, 2020, the Company announced that the Company has closed its non-brokered private placement consisting of the sale of 13,025,000 units (the Units) at \$0.08 per Unit for gross proceeds of \$1,042,000. Each Unit consists of one common share in the capital of the Company (a Share) and one Share purchase warrant (each Share purchase warrant, a Warrant). Each Warrant entitles the holder to purchase one additional Share (a Warrant Share) at a price of \$0.20 per Warrant Share for a period of three years from the closing of the Private Placement.

In February 2020, the Company appointed Mr. Derek Ivany as Chairman of the Advisory Board effective immediately. Further, the Company launched a new platform and has begun live testing of its Virtual IBAN offering.

In March 2020, the Company affirmed that the Company does not expect any disruption in providing its service offerings whatsoever (resulting from the global COVID-19 pandemic). The Company further affirmed that the Company is doing every it can to support [the Company] staff and customers, and reassured shareholders that it is business as usual.

BUSINESS OVERVIEW

Midpoint is the originator of the peer to peer (“P2P”) foreign exchange (“FX”) business concept. It creates a central marketplace where buyers and sellers of foreign currency can match their offsetting needs and it matches those counterparties at the midpoint of the relevant currency pair interbank rate for a fee. Midpoint subscribes to an independent third-party real-time market data feed which it uses to ascertain the mid-point each time a match is found. This ensures that both buyer and seller get the fairest rate possible at the moment in time that they are matched. It also ensures that the process is totally transparent and auditable. The P2P business model eliminates the bid-offer spread and other, often excessive, service fees that are normally incurred by the client when using other traditional competitors.

Interest in the P2P space is growing across a wide range of financial instruments including the FX space, but Midpoint differentiates itself from competitors in several ways.

First, it bifurcates the international exchange of obligations from the payment settlement component (clearing house). Midpoint provides both the regulated marketplace and the software to match multiple buyers and sellers across multiple currencies via its patented netting engine.

Second, the business method also eliminates the risk management costs associated with Midpoint warehousing any currency or taking a principal position thereby facilitating even greater spread compression than its competitors can offer.

Finally, users of the Midpoint service take no counterparty credit risk on Midpoint, nor are they required to pre-fund an order (unlike with competitive offerings). Once a match is found, a user receives an instruction to remit their contracted funds to a client segregated account at one of the many money centre banks in the correspondent bank network used by Currencycloud, Midpoint’s independent but integrated payment service provider. Actuarial models conducted as part of the business planning process on randomly generated transaction amounts in a six currency operation; show that the most common match is a three way match. At scale, the effect of this is to dramatically lower the amount of additional liquidity costs required and therefore speaks to the unique value proposition that Midpoint offers its investors.

The FX market is the largest, most liquid market in the world. It is also highly fragmented due to its international nature. Therefore, while regulators in many jurisdictions are increasingly pushing for financial instruments to be exchange cleared in order to provide transparency to clients, FX has managed to stay largely exempt. However, as regulators increasingly

MIDPOINT HOLDINGS LTD.

MANAGEMENT DISCUSSION & ANALYSIS
FOR THE THREE AND NINE MONTHS ENDED MARCH 31, 2020
DISCUSSION DATED: MAY 28, 2020



look for alternatives for transparent pricing and clearing, Midpoint's transparent central marketplace model should be well positioned.

The Company is a reporting issuer under applicable securities legislation in the provinces of Alberta, British Columbia and Ontario and its outstanding shares are listed on the TSX-V under the symbol "MPT" and cross-listed on the Frankfurt Stock Exchange under the symbol 8MH.

STRATEGY AND OUTLOOK

The Company's business objective is to continue to build sales across multiple markets and jurisdictions while continuing to offer exceptional customer service and improving the platform for customers. The online and largely virtual nature of the Company allows the business to be driven through multiple channels thereby amortizing its operational costs as it scales.

There are five different economic models that Midpoint is currently seeking to exploit: (1) organic; (2) referrals; (3) co-branded white-label solution; (4) a pure white-label solution; and (5) licensing.

The Company continues to work on its application program interface ("API") development. This is one of the strategies that will enable the Company to deliver a white labelled multi-party netting FX exchange solution to large corporations as well as to direct access referrals. This development will also be used in the development of mobile applications.

The Company is also working on growing its partnership with a loyalty program with one of the largest aviation groups and a number of major airlines to offer Midpoint's services to their frequent fliers.

Finally, the Company continues to work on virtual bank accounts, multi-currency prepaid debit cards which will expand the universe of possible clients. The cards would allow users to fund in and transfer between currencies on their card at the Midpoint rate, unlike with other competitive travel cards in the market. The Company has identified program managers and issuer's banks that have expressed interest in working with it on this initiative.

The Company continues to maintain a five-star rating on Trust Pilot, an independent rating platform and continues to accumulate good customer testimonials and referrals.

The offering is proving increasingly sticky with customers. The number of repeat users has grown from just over 50% at the end of the first year to over 80% at the time of this discussion.

Operations

A significant effort continues to be deployed into the ongoing technical development of the Company's website and administrative platform. The customer registration and on-boarding has been re-developed and streamlined to include auto authorization to allow for great scalability whilst remaining compliant.

The Company currently offers 24 currencies and plans to introduce new currencies over time. The Company continues to invest in R&D to develop an enterprise grade solution.

The Company no longer primarily relies on outsourced software development and has brought software development and engineering inhouse. The Company has completely rebuilt the Midpoint platform and is currently working on its



third major release which will incorporate virtual accounts. The new platform provides a far greater level of scalability and introduces:

- Full treasury system with multi-currency e-Wallets
- Mass pay-out functionality
- Multiple users for both personal and business accounts
- Improved beneficiary management
- Multiple beneficiary payments from a single FX conversion
- Multiple FX conversions consolidated into a single currency beneficiary payment
- Integration with Xero cloud accounting software
- Real-time fees and indicative rates calculator

The Company has implemented continuous delivery model with rapid software release cycles and continues to focus on leveraging both patented technology and existing platform in developing the new products outlined in the section above.

Regulatory Compliance

The Company is regulated by the Financial Conduct Authority in the UK as a Payments Institution. Regulation is an extremely important part of the Company's activities. In addition to its work with the regulators, the Company periodically reviews its internal processes and procedures in the area of Know Your Client (KYC) and Anti Money Laundering (AML). The Company recognizes the importance of regulatory compliance and is fully committed to continuously monitoring developments within the industry to ensure its ongoing compliance. These standards and practices require constant attention as regulators around the world increase the requirements and demands on payment institutions.

The Company has also incorporated a dedicated Canadian operating subsidiary in anticipation of launching a second office. This entity has been registered with Fintrac, the Canadian regulator as a Money Service Business allowing it to potentially offer a new business model for its Canadian clients.

The Company has incorporated a wholly-owned subsidiary in Hong Kong Special Administrative Region (SAR), China. Midpoint Hong Kong Ltd received its Money Service Operator License from the Hong Kong Custom and Excise in December 2017. In February 2019, the Company secured money service banking services with DBS Bank, Hong Kong SAR, China.

Sales & Marketing

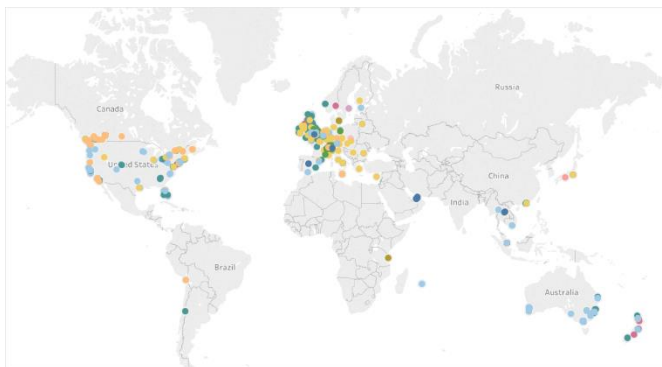
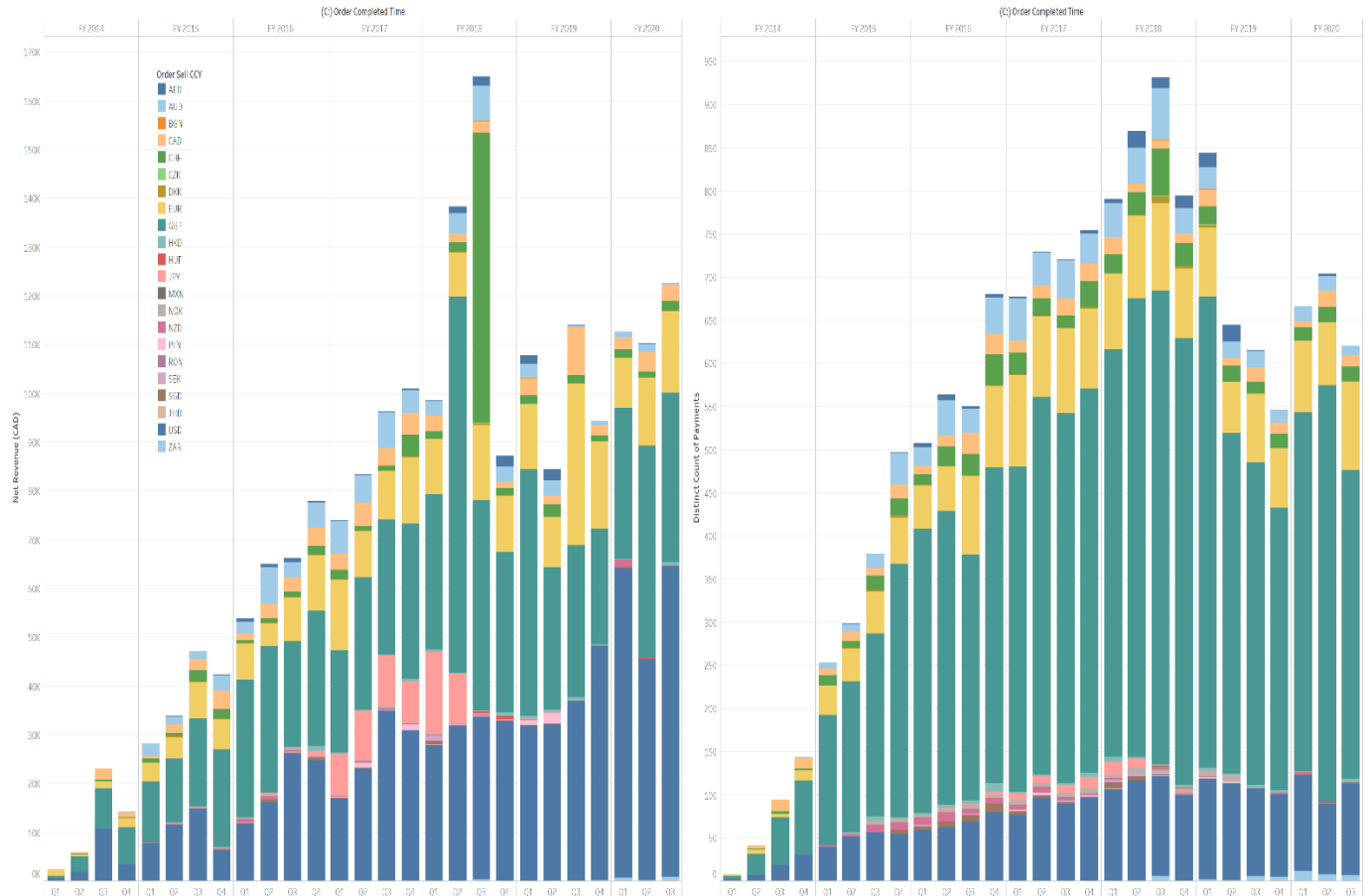
The target client base for the business includes both Small and Medium sized Enterprises (SMEs) and individuals. These are the two client segments that traditionally find it difficult to access competitive foreign exchange services. Midpoint targets industry sectors which engage in frequent foreign exchange transactions, including leisure & tourism, accountancy practices & IFAs, software & tech companies, foreign home owners, migrant workers and expats.

MIDPOINT HOLDINGS LTD.

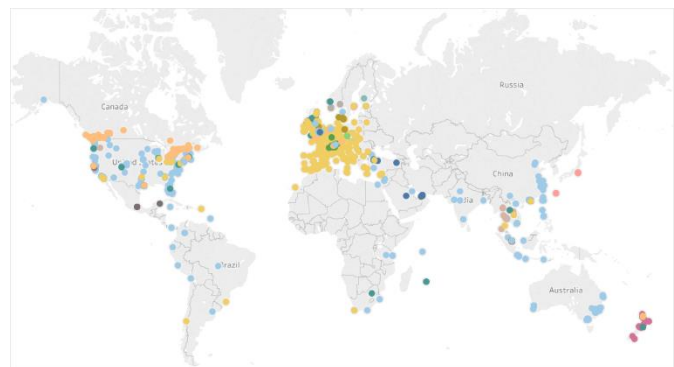
MANAGEMENT DISCUSSION & ANALYSIS
FOR THE THREE AND NINE MONTHS ENDED MARCH 31, 2020
DISCUSSION DATED: MAY 28, 2020



FINANCIAL PERFORMANCE



Clients from over 55 countries

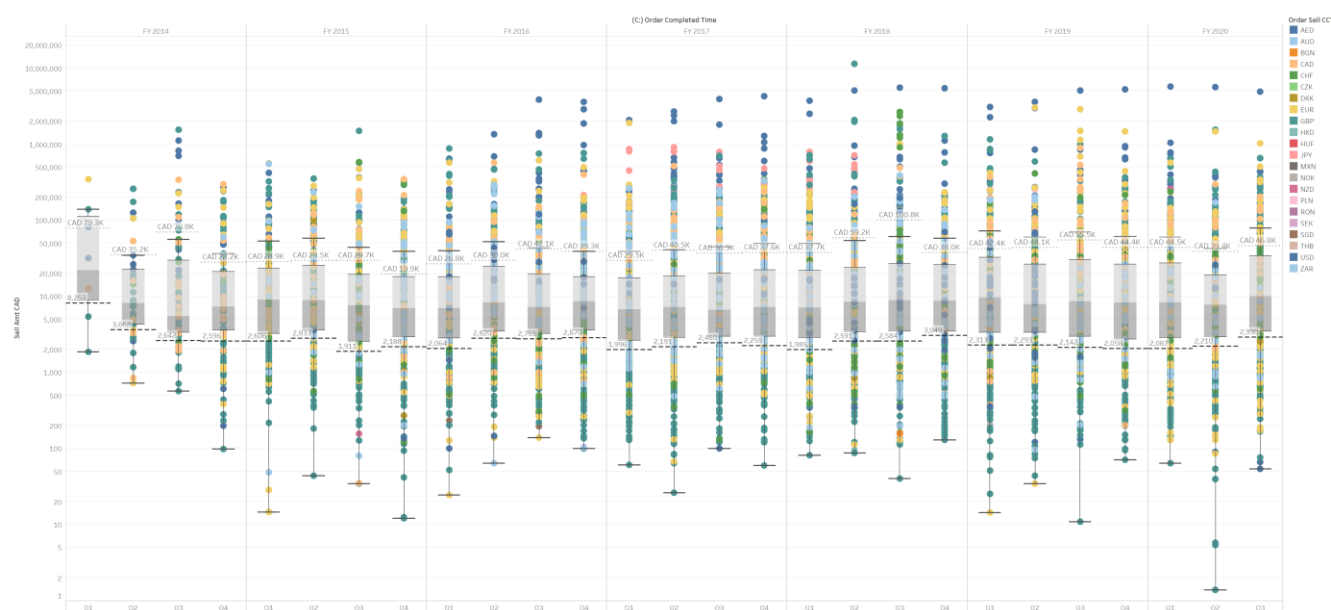


Payout to over 80 countries

80% of transactions on the Midpoint platform are for values over \$3,000 with a mean transaction size of approximately \$46,800 for the three months ended March 31, 2020. The largest transaction on the Midpoint platform is for approximately \$13.6 million.

MIDPOINT HOLDINGS LTD.

MANAGEMENT DISCUSSION & ANALYSIS
FOR THE THREE AND NINE MONTHS ENDED MARCH 31, 2020
DISCUSSION DATED: MAY 28, 2020



During the three months March 31, 2020, the Company expensed \$407,631 (three months ended March 31, 2019—\$195,318).

At March 31, 2020, the Company had working capital of \$922,817 (March 31, 2019—\$686,049). The Company had cash and cash equivalents of \$942,781 at March 31, 2020, (March 31, 2019—\$919,924).

During this period the Company was trading on the website and incurring expenses which were financed with available cash. As a result, the working capital and cash and cash equivalents were reduced by operating activities, but this decrease was offset by the private placement financings during the year.

To date, the Company has invested in a foreign subsidiary. The Company receives no income from that investment currently. The Company's current strategy is to scale its business in new currencies, geographies and industry silos. The Company maintains direct ownership of the patents and IT platform. All licensing agreements with the current subsidiary and future subsidiaries will be directly with the Company creating a revenue stream in the future. Dividends from the subsidiaries will also create revenues for the Company in the future. Risks related to operating in the financial services industry largely revolve around increased regulation and compliance legislation and associated costs.

MIDPOINT HOLDINGS LTD.

MANAGEMENT DISCUSSION & ANALYSIS
FOR THE THREE AND NINE MONTHS ENDED MARCH 31, 2020
DISCUSSION DATED: MAY 28, 2020



HISTORY OF THE COMPANY

The Company was incorporated under the *Business Corporation Act* (British Columbia) on April 15, 2010 and was classified as a Capital Pool Company (“CPC”) as defined in Policy 2.4 of the TSX Venture Exchange (“TSX-V”) Corporate Finance Manual. The principal business of the Company was to identify and evaluate companies, assets or businesses with a view to completing a Qualifying Transaction (as defined in Policy 2.4). The common shares of the Company were initially listed on the TSX-V with the trading symbol “JRL.P”.

On April 11, 2013 the Company completed its Qualifying Transaction (the “Transaction”) with BuyFX Ltd. (“BuyFX”) and concurrent financing whereby the Company acquired all of the issued and outstanding securities of BuyFX in exchange for the issuance of securities of the Company. For accounting purposes, this share exchange is treated as a reverse takeover (“RTO”) with BuyFX being the accounting acquirer.

BuyFX was a private company incorporated pursuant to the laws of Bermuda. Until its acquisition pursuant to the Transaction, BuyFX operated a peer-to-peer foreign exchange matching platform through its wholly-owned UK subsidiary, Midpoint & Transfer Ltd. (“Midpoint”). The platform allows any registered and authorized individuals or companies to conduct foreign exchange transactions for a transparent fee at the interbank midpoint or mid-market rate. On December 9, 2013 BuyFX made and received application to discontinue in Bermuda and continued to the Province of British Columbia. On May 20, 2014 BuyFX and the Company amalgamated to form one company as Midpoint Holdings Ltd.

Midpoint was registered in London, UK with the Financial Services Authority (“FSA”) and subsequent to March 2013 with the Financial Conduct Authority (“FCA”), the regulatory successor to the FSA, and Her Majesty’s Revenue and Customs (“HMRC”), the regulatory bodies for payment services in the UK. Midpoint currently offers its service in 24 currencies with over 244 payout countries available. Midpoint’s operations and technology platforms have been designed and built to scale as volumes grow and further currencies are added. The initial currencies are used in most global trade transactions.

Midpoint completed its first trade in July 2012 prior to the RTO. Since becoming public via the RTO in April of 2013, the Company continues to invest in its intellectual property as well as enhancing the usability and functionality of its website www.midpoint.com.

SELECTED FINANCIAL INFORMATION

The following is selected financial data derived from the unaudited quarterly consolidated financial statements of the Company for the three months ended March 31, 2020, 2019, and 2018. Note that all financial data for 2020, 2019, 2018, and 2017 are stated in Canadian dollars.

MIDPOINT HOLDINGS LTD.

MANAGEMENT DISCUSSION & ANALYSIS
FOR THE THREE AND NINE MONTHS ENDED MARCH 31, 2020
DISCUSSION DATED: MAY 28, 2020



	Three months March 31, 2020 (\$CAD)	Three months March 31, 2019 (\$CAD)	Three months March 31, 2018 (CAD)	Year ending June 30, 2019 (\$CAD)	Year ending June 30, 2018 (\$CAD)	Year ending June 30, 2017 (\$CAD)
Total revenues	\$159,357	\$122,170	\$157,237	\$399,225	\$482,315	\$371,677
Total Income (loss)	\$(277,013)	\$(104,769)	\$(143,128)	\$(566,603)	\$(705,993)	\$(429,883)
Net income/(loss) income per share – basic	\$(0.0092)	\$(0.0040)	\$(0.006)	\$(0.03)	\$(0.028)	\$(0.024)
Net income/(loss) income per share – diluted	\$(0.0092)	\$(0.0040)	\$(0.0015)	\$(0.03)	\$(0.028)	\$(0.024)
Total assets	\$1,227,747	\$1,433,885	\$2,049,312	\$1,137,730	\$1,780,043	\$1,230,361
Total non-current liabilities	\$69,198	\$88,652	\$137,438	\$88,652	\$88,652	\$150,040
Dividends distributed/declared	\$nil	\$nil	\$nil	\$nil	\$nil	\$nil

- The net loss for the period ended March 31, 2020, consisted primarily of professional fees, wages, amortization and depreciation, marketing, filing fees, rent, general and administrative expenses, and website expenses.
- The net loss for the period ended March 31, 2019, consisted primarily of professional fees, wages, amortization and depreciation, marketing, filing fees, rent, general and administrative expenses, and website expenses.
- The net loss for the period ended March 31, 2018, consisted primarily of professional fees, wages, amortization and depreciation, marketing, filing fees, rent, and general and administrative expenses.
- The net loss for the year ended June 30, 2019, consisted primarily of professional fees, wages, depreciation, marketing, filing fees, rent, general and administrative expenses, website, and settlement accretion expenses. During the year, the company recognized stock-based compensation expenses of \$122,154 which is included in wages expense. In the same period, the officer to whom the options were awarded resigned, and all 3,125,000 options were cancelled unvested. Accordingly, an expense recovery of \$122,154 was recognized in the second fiscal quarter of the same period.
- The net loss for the year ended June 30, 2018, consisted primarily of professional fees, wages, depreciation, marketing, filing fees, rent, general and administrative expenses, website, and settlement accretion expenses.
- The net loss for the year ended June 30, 2017, consisted primarily of professional fees, administration, marketing, wages, settlement, and accretion settlement expenses.

The following table sets forth selected financial information for the Company's eight most recent quarters ending with the last quarter for the three months ending March 31, 2020.

MIDPOINT HOLDINGS LTD.

MANAGEMENT DISCUSSION & ANALYSIS
FOR THE THREE AND NINE MONTHS ENDED MARCH 31, 2020
DISCUSSION DATED: MAY 28, 2020



	Three months ended Mar 31, 2020 (CAD)	Three months ended Dec 31, 2019 (CAD)	Three months ended Sep 30, 2019 (CAD)	Three months ended Jun 30, 2019 (CAD)	Three months ended Mar 31, 2019 (CAD)	Three months ended Dec 31, 2018 (CAD)	Three months ended Sep 30, 2018 (CAD)	Three months ended Jun 30, 2018 (CAD)
Total revenues	\$159,357	\$90,805	\$113,359	\$69,771	\$122,170	\$96,427	\$110,887	\$92,248
Total Income (loss)	\$(277,013)	\$(275,287)	\$(231,643)	\$(357,658)	\$(104,769)	\$(16,825)	\$(107,171)	\$(348,792)
Net income/(loss) per share – basic	\$(0.0092)	\$(0.0104)	\$(0.008)	\$(0.0136)	\$(0.004)	\$(0.0008)	\$(0.004)	\$(0.014)
Net income/(loss) per share – diluted	\$(0.0092)	\$(0.0104)	\$(0.008)	\$(0.0136)	\$(0.004)	\$(0.0008)	\$(0.004)	\$(0.014)
Total assets	\$1,227,747	\$586,671	\$928,574	\$1,137,730	\$1,433,885	\$1,532,120	\$1,218,163	\$1,780,043

SUMMARY OF QUARTERLY RESULTS

	Total Assets \$CAD	Profit or Loss \$CAD	Basic & Diluted Earnings (Loss) Per Share \$CAD
2020—March 31	\$1,227,747	\$(277,013) ⁽¹⁾	(0.0092)
2019—December 31	\$586,671	\$(275,287) ⁽²⁾	(0.0104)
2019—September 30	\$928,574	\$(231,643) ⁽³⁾	(0.008)
2019—June 30	\$1,137,730	\$(357,688) ⁽⁴⁾	(0.0136)

Notes:

- ⁽¹⁾ The net loss of \$277,013 consisted primarily of professional fees, wages, amortization and depreciation, marketing, filing fees, rent, general and administrative expenses, and website expenses.
- ⁽²⁾ The net loss of \$275,287 consisted primarily of professional fees, wages, amortization and depreciation, marketing, filing fees, rent, general and administrative expenses, and website expenses.
- ⁽³⁾ The net loss of \$231,643 consisted primarily of professional fees, wages, amortization and depreciation, marketing, filing fees, rent, general and administrative expenses, and website expenses.
- ⁽⁴⁾ The net loss of \$357,688 for the quarter ended June 30, 2019, consisted primarily of professional fees, wages, amortization and depreciation, marketing, filing fees, rent, general and administrative expenses, and website expenses.

DISCUSSION OF OPERATIONS

Three Months Ended March 31, 2020, compared with Three Months Ended March 31, 2019.

The Company's net loss totalled \$277,013 for the three months ended March 31, 2020, with basic and diluted loss per share of \$0.0092. This compares with a total net loss of \$104,769 with basic and diluted loss per share of \$0.004 for the three months ended March 31, 2019—an increase of \$172,244 in net loss principally due to an increase in amortization and

MIDPOINT HOLDINGS LTD.

MANAGEMENT DISCUSSION & ANALYSIS
FOR THE THREE AND NINE MONTHS ENDED MARCH 31, 2020
DISCUSSION DATED: MAY 28, 2020



depreciation, filing fees and transfer fees, general and administrative expenses, professional and consulting fees, wages, and software development and website costs.

LIQUIDITY AND FINANCIAL POSITION

The activities of the Company were financed through equity transactions such as equity offerings. There is no assurance that future equity capital will be available to the Company in the amounts or at the times desired or on terms that are acceptable to the Company, if at all. See “Risk Factors” below.

Current liabilities decreased to \$206,504 at March 31, 2020, compared to \$243,241 at March 31, 2019; this was due to a payment to settlement payable following the private placement that occurred during the March 31, 2020 quarter. The Company’s cash and cash equivalents as of March 31, 2020 are sufficient to pay these liabilities.

As of March 31, 2020, the Company had 39,001,660 common shares issued; all options granted had not been exercised and had hence expired. The Company has issued 13,025,000 Warrants exercisable at \$0.20 per Warrant in a Private Placement dated February 5, 2020; these Warrants expire three years from the closing of the Private Placement.

The Company’s operating subsidiary has revenues from sales but must utilize its current cash reserves, funds obtained from the exercise of stock options and other financing transactions to maintain its capacity to meet ongoing operating activities. Given that the Company has sufficient funds on hand to meet its current anticipated expenditures, it only anticipates raising additional funds opportunistically. See “Risk Factors” below.

Cash used in operating activities was \$770,644 for the period ended March 31, 2020. Operating activities were affected by a net reduction in non-cash working capital balances of \$207,080 because of an increase in accounts receivable and prepaid expenses of \$174,557 and a decrease in accounts payable and accrued liabilities of \$32,523.

To date, the cash resources of the Company are held with one major Canadian and UK chartered bank. The Company has no debt and its credit and interest rate risk is minimal. Accounts payable and accrued liabilities are short term and non-interest bearing.

The Company’s use of cash at present occurs, and in the future will occur, principally in two areas, namely, funding of its wages and marketing to drive and manage its growth in revenue. Over the past three months, the Company’s normal operating expenses net of depreciation have averaged about \$84,900 per month of this \$40,096 per month was related to professional fees and \$16,275 per month was related to software development and website costs.

The Company had working capital of \$922,817 as of March 31, 2020.

The ability of the Company to obtain necessary financing to market its platform, and fund on-going sales and administrative expenses is uncertain. The ability of the Company to generate sales revenue to offset the expenses and maintain profitability is uncertain. These material uncertainties cast significant doubt on the Company’s ability to continue as a going concern. The Company will require additional financing from time to time, which it intends to obtain through the issue of common shares. While the Company has been successful in raising equity financing through the issuances of common shares in the past, there is no assurance that it will be able to obtain adequate financing in the future or that such financing will be available on acceptable terms.



MANAGEMENT OF CAPITAL

The Company manages its capital with the following objectives:

- To ensure sufficient financial flexibility to achieve the ongoing business objectives; and
- To maximize shareholder return.

The Company monitors its capital structure and adjusts according to market conditions in an effort to meet its objectives given the current outlook of the business and industry in general. The Company may manage its capital structure by issuing new shares, repurchasing outstanding shares, adjusting capital spending, or disposing of assets.

The capital structure is reviewed by management and the board of directors on an ongoing basis. The Company considers its capital to be equity, comprising share capital, warrant and option reserves, contributed surplus, accumulated other comprehensive loss and deficit which at March 31, 2020, totaled \$952,045 and as of March 31, 2019, totaled \$1,101,992.

The Company manages capital through its financial and operational forecasting processes. The Company reviews its working capital and forecasts its future cash flows based on operating expenditures, and other investing and financing activities. The forecast is updated based on activities related to its operating activities. Selected information is provided to the board of directors. The Company's capital management objectives, policies and processes have remained unchanged during the year ended June 30, 2019.

The Company is not subject to any capital requirements imposed by a lending institution or any other external capital requirements. The UK operating subsidiary ("MPNT") is subject to FCA regulatory capital adequacy requirements under which it is required to maintain a share capital balance in excess of accumulated deficit plus 10% of fixed operating costs from the previous year. The Company currently meets this requirement.

SHARE CAPITAL

The Company is authorized to issue an unlimited number of common shares. As of the date of this MD&A, the Company had 39,001,660 common shares outstanding. Further, the Company has issued 13,025,000 Warrants exercisable at \$0.20 per Warrant in a Private Placement dated February 5, 2020; these Warrants expire three years from the closing of the Private Placement.

As of the date of this MD&A, there were no stock options outstanding.

RISK FACTORS

An investment in the securities of the Company is highly speculative and involves numerous and significant risks. Only investors whose financial resources are sufficient to enable them to assume such risks and who have no need for immediate liquidity in their investment should undertake such investment. Prospective investors should carefully consider the risk factors described below.

MIDPOINT HOLDINGS LTD.

MANAGEMENT DISCUSSION & ANALYSIS
FOR THE THREE AND NINE MONTHS ENDED MARCH 31, 2020
DISCUSSION DATED: MAY 28, 2020



Credit Risk, Foreign Exchange Risk, Liquidity Risk, Cybersecurity Risk

Financial instruments that could expose the Company to credit risk are primarily cash and cash equivalents and accounts receivable. The Company has deposited its cash in financial institutions with good reputations, and management considers the risk of losses to be negligible.

The Company is exposed to currency risk. To date, funds have been raised in Canadian currency (CAD) while expenses are largely in British Pounds (GBP) in the UK operating subsidiary. The Company continues to operate primarily in CAD at the holding level. However, the Company is exposed to foreign exchange risk on a portion of its accounts payable and accrued liabilities and its GBP bank account. Management is actively hedging a portion of that exposure to mitigate this.

The Company is exposed to liquidity risk. Liquidity risk is the exposure of the Company to the risk of not being able to meet its financial obligations as they become due. The Company's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when due. The Company's future liquidity is dependent on factors such as the ability to generate cash from operations and to raise money through debt or equity financing.

The Company had cash and cash equivalents of \$942,781 at March 31, 2020 (March 31, 2019—\$919,924), to satisfy current liabilities of \$206,504 as of March 31, 2020 and \$243,241 as of March 31, 2019.

The Company is exposed to cybersecurity risks of hacking and data breaches, although the risk is mitigated as it does not hold client funds directly. Nonetheless, the new management team has obtained cyber insurance cover.

Competition

The Company is competing in the online payments markets based in part on the Company's ability to execute its customers' orders at competitive prices, to retain its existing customers and to attract new customers. The Company's competitors range from small venture backed enterprises with limited resources to multi-national banks with larger customer bases, more established name recognition and substantially greater financial, marketing, technological and personnel resources than the Company has. The larger and better capitalized competitors, including commercial and investment banking firms, may have access to capital in greater amounts and at lower costs than the Company will have, and thus, may be better able to respond to changes in the payments industry, to compete for skilled professionals, to finance acquisitions, to fund internal growth and to compete for market share generally. The Company may not be able to compete effectively against these firms, particularly those with greater financial resources, and the Company's failure to do so could materially and adversely affect the Company's business, financial condition and results of operations and cash flows.

Management

The success of the Company is currently largely dependent on the performance of its management. Shareholders will be relying on the good faith, experience and judgment of the Company's management and advisers in supervising and providing for the effective management of the Company's business. The loss of the services of these persons could have a materially adverse effect on the Company's business and prospects. There is no assurance the Company can maintain the services of its management or other qualified personnel required to operate its business. Failure to do so could have a materially adverse effect on the Company and its prospects.

The Company has not purchased "key-man" insurance, nor has it entered into non-competition and non-disclosure agreements with management and has no current plans to do so.

MIDPOINT HOLDINGS LTD.

MANAGEMENT DISCUSSION & ANALYSIS
FOR THE THREE AND NINE MONTHS ENDED MARCH 31, 2020
DISCUSSION DATED: MAY 28, 2020



OFF-BALANCE SHEET ARRANGEMENTS, COMMITMENTS, AND CONTINGENCIES

As of the date of this MD&A, the Company has not engaged in any off-balance sheet arrangements, such as obligations under guarantee contracts, a retained or contingent interest in assets transferred to an unconsolidated entity, any obligation under derivative instruments, or any obligation under a material variable interest in an unconsolidated entity that provides financing, liquidity, market risk or credit risk support to the Company or engages in leasing or hedging services with the Company. The Company has no commitments or contingencies.

PROPOSED TRANSACTIONS

As of the date of this Discussion and Analysis, there is no firm offer that may result in a material transaction being considered by the Company. The Company continues to evaluate offers and assets that it may acquire in the future.

RELATED PARTY TRANSACTIONS

Related parties include the board of directors, close family members and enterprises that are controlled by these individuals as well as certain persons performing similar functions.

- a) Related party transactions conducted in the normal course of operations are measured at the exchange value (the amount established and agreed to by the related parties).
- b) The Company entered into the following transactions with related parties:

	Quarter ended March 31, 2020	Quarter ended March 31, 2019
C. Comishin & Associates Inc. ⁽¹⁾	\$9,450	\$nil
Total for year	\$9,450	\$nil

- ⁽¹⁾ For the quarter ended March 31, 2020, the Company expensed a total of \$9,450 (quarter ended March 31, 2019—\$nil) to C. Comishin & Associates Inc. to provide accounting services to the Company. Corbin Comishin is an unpaid director of the Company and an owner of C. Comishin & Associates Inc.

MIDPOINT HOLDINGS LTD.

MANAGEMENT DISCUSSION & ANALYSIS
FOR THE THREE AND NINE MONTHS ENDED MARCH 31, 2020
DISCUSSION DATED: MAY 28, 2020



c) Remuneration of directors and key management of the Company was as follows:

Salaries and benefits	Quarter ended March 31, 2020	Quarter ended March 31, 2019
David Wong, Chairman & CEO	\$4,564	\$nil
Corbin Comishin, CFO	\$nil	\$nil
Brad Lemkus, Former COO	\$nil	\$12,980
Hertz Zhang	\$13,306	\$nil
Mike Hampson	\$nil	\$nil
John D'Agostino	\$nil	\$nil
Total for the quarter	\$17,870	\$12,980

No share-based payments have been made to the directors or key management for this quarter or year.

d) Settlement provision of directors and key management of the Company was as follows:

On November 23, 2015 the CEO resigned from his duties with the Company. The Company has entered into an agreement to pay GBP \$18,500 on signing (paid) and an additional CAD\$500,000 to the former CEO. The timing of the remaining settlement payments are based on the Company's future capital or debt raises; a minimum of 10% of all amounts to be raised in capital or debt are designated to pay the requirements of the severance until the amount is extinguished. After a financing is completed, interest of 8% per annum will accrue on the payable portion.

The Company has applied a discount factor of 18% to the \$500,000 payable as at November 23, 2015 and has assumed a repayment of \$100,000 per year (implying an assumption of \$1,000,000 per year in financing). An initial discount of \$187,500 was recognized based on these assumptions and will be accreted through the statement of operations until the liability is ultimately extinguished. The Company recognized \$35,960 for the year ended June 30, 2018 (2017 – 61,623) in accretion costs during the year in relation to this item. In total 133,173 of accretion expenses have been reported as expenses of the company related to the initial 187,500 discount resulting in 54,327 to be reported still in the future as an expense of the company.

As a result of the March 31, 2016; May 12, 2016; July 8, 2016; July 19, 2016; December 29, 2016; March 31, 2017; June 30, 2017; and July 14, 2017 financings, which raised gross proceeds of \$1,462,760, the Company has paid \$146,276 of the \$500,000 settlement provision accrued to the liabilities of the Company. In October 2017, the Company raised gross proceeds of \$1,200,000 made a payment of \$120,000 to the former CEO. The Company also made a further payment of \$6,000 to the former CEO from proceeds raised through warrants exercised. On February 5, 2020, the company raised gross proceeds of \$1,042,000 and made a payment of \$104,200 to the former CEO prior to the date of this MD&A.

MIDPOINT HOLDINGS LTD.

MANAGEMENT DISCUSSION & ANALYSIS
FOR THE THREE AND NINE MONTHS ENDED MARCH 31, 2020
DISCUSSION DATED: MAY 28, 2020

**SUBSEQUENT EVENTS****ADDITIONAL DISCLOSURE FOR VENTURE ISSUERS**

General and Administrative Expenses	Three months ended March 31, 2020	Three months ended March 31, 2019	Year ended June 30, 2019	Year ended June 30, 2018
Office, foreign exchange and general	\$37,944	\$20,691	\$90,969	\$96,981
Salaries and benefits	\$58,649	\$49,270	\$204,966	\$267,779
Filing and transfer fees	\$20,299	\$6,364	\$27,430	\$61,254
Professional and consulting fees	\$160,385	\$43,868	\$201,216	\$285,344
Marketing	\$11,006	\$14,961	\$48,472	\$86,104
Software development and website costs	\$48,824	\$13,412	\$46,138	\$30,987
Accretion	\$nil	\$nil	\$nil	\$35,960
Share based compensation	\$nil	\$nil	\$(122,154)	\$nil
Total	\$337,107	\$148,566	\$497,037	\$864,409

Research and Development Costs ^[1]	Three months ended March 31, 2020	Three months ended March 31, 2019	Year ended June 30, 2019	Year ended June 30, 2018
Software Development	\$nil	\$24,022	\$146,013	\$172,895
Software Development Recovery	\$nil	\$nil	\$nil	\$nil

^[1] Software research and development costs are capitalized.

Intangible Assets arising from Development	Three months ended March 31, 2020	Three months ended March 31, 2019	Year ended June 30, 2019	Year ended June 30, 2018
Amortization and Depreciation	\$70,524	\$48,073	\$333,206	\$134,189

DISCLOSURE OF INTERNAL CONTROLS

Management has established processes to provide them sufficient knowledge to support representations that they have exercised reasonable diligence that (i) the consolidated financial statements do not contain any untrue statement of material fact or omit to state a material fact required to be stated or that is necessary to make a statement not misleading in light of the circumstances under which it is made, as of the date of and for the periods presented by the consolidated financial statements; and (ii) the consolidated financial statements fairly present in all material respects the financial condition, financial performance and cash flows of the Company, as of the date of and for the periods presented.

On November 23, 2007 the British Columbia Securities Commission exempted registered venture issuers, of which the Company is one, from certifying certain disclosure controls and procedures. In contrast to the certificate required for non-venture issuers under National Instrument 52-109 - *Certification of Disclosure in Issuers' Annual and Interim Filings* ("NI 52-109"), the Venture Issuer Basic Certificate filed by the Company does not include representations relating to the

MIDPOINT HOLDINGS LTD.

MANAGEMENT DISCUSSION & ANALYSIS
FOR THE THREE AND NINE MONTHS ENDED MARCH 31, 2020
DISCUSSION DATED: MAY 28, 2020



establishment and maintenance of disclosure controls and procedures ("DC&P") and internal control over financial reporting ("ICFR"), as defined in NI 52-109. In particular, the certifying officers filing such certificate are not making any representations relating to the establishment and maintenance of:

- i. controls and other procedures designed to provide reasonable assurance that information required to be disclosed by the issuer in its annual filings, interim filings or other reports filed or submitted under securities legislation is recorded, processed, summarized and reported within the time periods specified in securities legislation; and
- ii. a process to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with the issuer's generally accepted accounting principles (IFRS).

The Company's certifying officers are responsible for ensuring that processes are in place to provide them with sufficient knowledge to support the representations they are making in such certificate. Investors should be aware that inherent limitations on the ability of certifying officers of a venture issuer to design and implement on a cost effective basis DC&P and ICFR as defined in NI 52-109 may result in additional risks to the quality, reliability, transparency and timeliness of interim and annual filings and other reports provided under securities legislation.

CRITICAL ACCOUNTING ESTIMATES

The Company's significant accounting policies are presented in Note 2 of the condensed financial statements for the period ended March 31, 2020.

The determination as to the existence and measurement of any impairment requires management to make significant estimates and assumptions, which includes estimated future cash flows, discount rates and estimated useful life. These significant estimates and judgments could impact the Company's future results if the current estimates of future performance and fair value change. This could affect the amount of amortization expense and any impairment charges on intangible assets in future periods.

The significant estimates and judgments made in the preparation of these consolidated financial statements relating to the settlement provision are outlined in note 5. The Company has applied a discount factor of 18% to the \$500,000 payable as at November 23, 2015 and has assumed a repayment of \$100,000 per year (implying an assumption of \$1,000,000 per year in financing). An initial discount of \$187,500 was recognized based on these assumptions and will be accreted through the statement of operations until the liability is ultimately extinguished. Increasing the discount rate or extending the repayment period would have reduced the initially recognized liability and expense and increased the annual accretion expense.

A handwritten signature in black ink, appearing to read "David S. Wong", with a long horizontal line extending to the right.

David S. Wong, Chairman & CEO