Trading Symbols (TSX-V: LM;
OTC: LMDCF; FSE: LIMA)
20 Bay Street,
11th Floor
Toronto, Ontario
Canada M5J 2N8
Tel : 416.927.7000
Fax : 416.927.1222
www.lingomedia.com

Lingo Media Corporation

Form 51 – 102 F1

Management Discussion & Analysis

For the Year Ended December 31, 2021

May 2, 2022

Notice to Reader

The following Management Discussion & Analysis ("MD&A") of Lingo Media Corporation's (the "Lingo Meida" or the "Company") financial condition and results of operations, prepared as of May 2, 2022, should be read in conjunction with the Company's Consolidated Financial Statements and accompanying Notes for the years ended December 31, 2021 and 2020, 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 Lingo Media'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 Lingo Media

Lingo Media ("**Lingo Media**", the "**Company**", "we", or "us") is a global EdTech company that is '*Building a Multilingual World*' through innovative online technology and solutions. By integrating education and technology, the Company empowers language educators to easily transition from traditional teaching methods to digital learning. The Company provides both online and print-based solutions through two distinct business units: ELL Technologies Ltd.(d/b/a **Everybody Loves Languages**) and Lingo Learning. Everybody Loves Languages provides online training and assessment for language learning, while Lingo Learning is a print-based publisher of English language learning programs in China. Through its two distinct business units, Lingo Media develops, markets, and supports a suite of language learning solutions consisting of web-based software licensing subscriptions, online and professional services, audio practice tools and multi-platform applications. The Company continues to operate its textbook publishing business from which it collects recurring royalty revenues.

Lingo Media's two distinct business units include Everybody Loves Languages ("**ELL Technologies**") and Lingo Learning. ELL Technologies is an online educational technology ("**EdTech**") language learning training and assessment company that creates innovative software-as-a-service el-earning solutions. ELL Technologies market consists of educational institutions (such as schools, high schools, vocation schools, universities, etc.) and corporations. ELL Technologies sells and markets its online language learning solutions in Latin America, Asia, Europe, and the U.S. Lingo Learning is a print-based publisher of English language learning textbook programs in China. The Company has formed successful relationships with key government and industry organizations, establishing a strong presence in China's education market.

The Company continues to invest in its underlying technology, including features and scalability, as well as language content and leverages its industry expertise to expand into more scalable education technology. Recent product initiatives have allowed us to expand the breadth of our language learning product offerings. The Company's web-based EdTech learning segment continues to present a significant opportunity for long-term growth.

Lingo Media's strategy is to focus on sales channels and relationships while continuously developing its content and technology offerings.

Corporate Highlights

- ✓ November 6, 2021, the Company announced the filing of a Form 15F with the U.S. Securities and Exchange Commission ("**SEC**") to terminate the registration of all classes of its registered securities under Section 12(g) of the Securities Exchange Act of 1934, as amended (the "**Exchange Act**"), as well as to terminate its reporting obligations under the Exchange Act. As a result of filing the Form 15F, Lingo Media's obligations to file reports under the Exchange Act was terminated 90 days after the filing, with no objection from the SEC.

- ✓ On November 16, 2021, the shareholders approved all matters at the Company's annual general meeting.

- ✓ On November 19, 2021, the Company announced that the Board of Directors re-appointed Gali Bar-Ziv as President & CEO and Khurram Qureshi as Chief Financial Officers. In addition, the Board appointed Khurram Qureshi as a Director. Hon. Jerry Grafstein and Michael Kraft stepped down from the Company's board of directors for personal reasons.

Operational Highlights

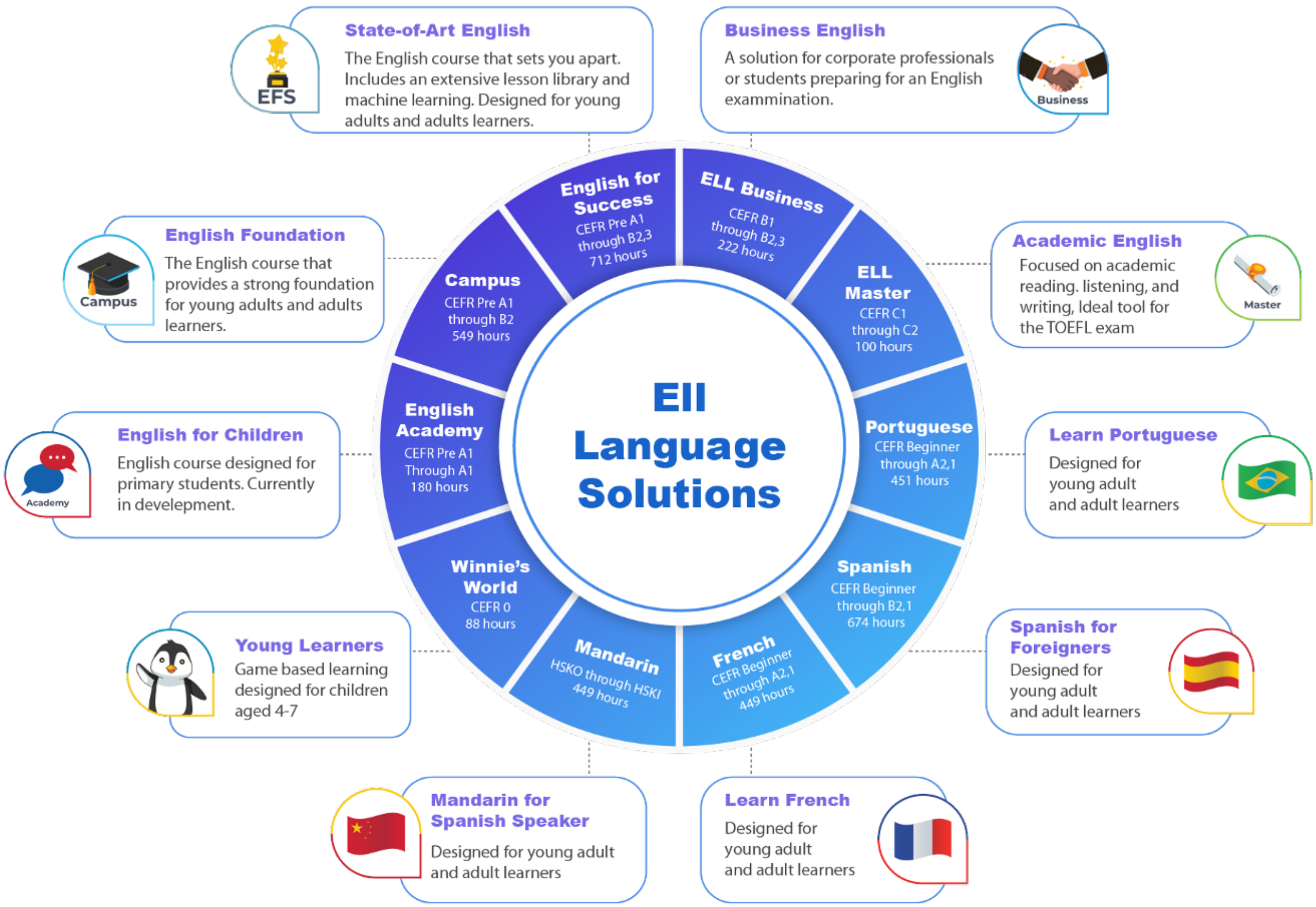
- Online English Language Learning:
  - ✓ Launched brand new Speak2Me for desktop learning

- ✓ Implemented a new speech and pronounciation engine for its Speak2Me and Studio tools
- ✓ Launched Ola App, allowing students to access hundreds of hours of speaking and pronunciation practice from their smartphones with Speak2Me and Studio features
- ✓ Redesigned and refreshed the product design for English, Spanish, French, Mandarin, and Business programs
- ✓ Added Assessment Test security features to ensure integrity and to limit cheating
- ✓ ELL Technologies was rebranded and is doing business as "Everybody Love Languages", including redesign of its logo, website (www.elltechnologies.com) and platform
- ✓ Conducted monthly webinars as part of ELL Technologies' teacher development series
- ✓ Added sales personnel for LATAM and APAC markets
- ✓ Added pedagogical expertise for LATAM and global markets
- ✓ Developed new reports for students and classes which provide further analysis and overview of students' accomplishment and progress
- ✓ Enhanced white labeling functionality allowing customized background images
- ✓ Released Level 1 of English Academy, an English learning program aimed at primary school learners
- ✓ Doubled the Portuguese course content to cover learners up to B2 on the Common European Framework of Reference ("CEFR")
- ✓ Entered into a distribution agreement with partners in LATAM and APAC markes

- 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

Online Language Learning

ELL Technologies has developed and is marketing one of the largest libraries of online language learning resources in the world. The library has more than 3,000 hours of interactive learning through a number of product offerings that include *Winnie's World, English Academy, Campus*, *English for Success*, *Master Business, English Teacher Prep,* in addition to courses to learn French, Mandarin, Spanish, and Portuguese languages. ELL Technologies is primarily marketed in LATAM and APAC through a network of distributors and generates revenue from online and offline licensing fees from its suite of web-based language learning products and applications.



ELL Technologies' high-tech, easy to implement eLearning Software-as-a-Service solutions have positioned the Company to provide learners of all ages and levels of English proficiency with a platform to further their language learning development.

All products have been designed utilizing proprietary tools and IP ELL Technologies to continue advancing and enhancing features and tools to market and sell to academic institutions and governments. Educators who license the platform are able to easily assign and arrange lessons and courses as they see fit, allowing for the personalization of the learning.

Formative assessments and data gathering functionality allows to adapt and continuously improve content. Based on that data, we are able to program iterations to address specific problem areas and to make learning more accessible, efficient and measurable. Built for learners, by learners, we empower educators and allow them to easily transition from pure classroom paper-based teaching to the online world.

Summary of ELL Technologies product development achievements in 2021 include the following:

- Launched *Ola* App - an iOS and Android native app that provides learners with hundreds of hours of speaking and pronunciation exercises
- Added Assessment Test security features including:
  - browser locking full screen lock; one login per device; and student selfie verification features
- Completed a teacher development course
- Completed the development of English Academy - Level 1, an English program aimed at primary school learners
- Doubled the amount of content in the Portuguese course to cover learners up to B2 on the Common European Framework of Reference ("CEFR")

Print-Based English Language Learning

Lingo Media has been operating a textbook publishing business through Lingo Learning, a print-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 795 million units from its library of program titles.

Overall Performance

During 2021, Lingo Media recorded revenues of $2,639,850 as compared to $2,102,054 in 2020, an increase of 26%. Net profit was $779,093 as compared to net profit $1,110,379 in 2020 resulting in a $0.02 earning per share as compared to $0.03 earnings per share in 2020. Total comprehensive income was $726,573 as compared to a total comprehensive income of $1,077,609 in 2020. In 2020, the Company received the Ontario Interactive Digital Media Tax Credit ("**OIDMTC**") of $904,940 which was recorded as reduction of Selling, General and Administrative Expense. In absence of this tax credit and the corresponding direct cost, the Company's total comprehensive income in 2020 would have been $399,736 as compared to $726,573 in 2021. Share-based payments of $ 55,932 was recorded in 2021 as compared to $23,144 in 2020. In addition, cash generated from operations in 2021 was $650,300 as compared to $728,124 in 2020.

Online English Language Learning

ELL Technologies earned revenue from its portfolio of products of $613,003 for the year, compared to $340,036 in 2020, an increase of 80%. This increase is primarily due to increased business development and marketing efforts in LATAM.

Print-Based English Language Learning

Lingo Learing's royalty revenue increased 15% to $2,026,847 in 2021 compared to $1,762,018 in 2020 from People's Education Press and People's Education & Audio Visual Press. This is primarily due to the digital right sales expanded to additional province during and number of unit sales creased.

Market Trends and Business Uncertainties

Lingo Media believes that the global market trends in English language learning remain strong and will continue to grow. COVID-19 forced many schools in our target markets to close. For the majority of 2021,schools and universities delayed decisions on the purchase of online solutions due to lower admission rate, in additional to financial and technological challenges. Towards the end of 2021, we have noticed a growing trend towards purchasing and increased demand for our solutions which we anticipate to continue in 2022 and beyond.

The British Council estimates that there are 1.6 billion people learning English globally. English language learning products and services are currently a US$8.9 Billion global market notes Orbit Research.

GlobalEnglish forecasts the global eLearning market to grow to 17% year over year. Markets and Markets forecasts the global EdTech market to grow from US$43.27 Billion in 2015 to US$93.76 Billion to 2021, or at a CAGR or 16.72%.

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; and addressing the lack of sufficient qualified 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 2017. 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 US$75 Billion in 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.

Lingo Media 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, 2021 Lingo Media had working capital balance of $2,712,411 compared to $1,896,556 as at December 31, 2020. Net profit for the year ended December 31, 2021 was $779,093 compared to net profit of $1,110,379 for the year ended December 31, 2020.

Financial Highlights

For the Year Ended December 31	2021	2020
Revenue		
Print-Based English Language Learning	$2,026,847	$1,762,018
Online English Language Learning	613,003	340,036
	2,639,850	2,102,054
Net Profit for the Year	779,093	1,110,379
Earnings per Share		
Basic	$0.02	$0.03
Fully Diluted	$0.02	$0.03
Total Assets	3,096,617	2,396,035
Working Capital	2,712,411	1,896,556
Cash Provided – Operations	650,300	728,124

The Company had cash on hand as at December 31, 2021 of $1,880,830 (2020 - $1,212,778) and accounts receivable of $1,101,908 (2020 - $973,852) to settle its current liabilities of $367,083 (2020 - $459,009) leaving a working capital balance of $2,712,411 (2020 - $1,896,556).

Results of Operations

During the year, Lingo Media earned $ 613,003 in online licensing sales revenue as compared to $340,036 in 2020, an increase of 80%.

Revenues from Print-Based English language learning for the period were $2,026,847 compared to $1,762,018 in 2020 as a result of increase of 15% in unit sold in China. Direct costs associated with publishing revenue are relatively modest and have been consistent throughout the years. The Company continues to maintain its relationship with PEP and is investing in new updated editions of its programs and marketing activities to maintain and increase its royalty-based revenues.

During 2021, Lingo Media recorded revenues of $2,639,850 as compared to $2,102,054 in 2020. Net profit was $779,093 as compared to net profit $1,110,379 in 2020 resulting in a $0.02 earnings per share as compared to $0.03 earnings per share in 2020.

Selling, General and Administrative

Selling, general and administrative expenses were $1,036,314 compared to $74,108 in 2020. The Company did not renew its office lease, which expired in February 2021. This resulted in savings of $17,815 per month since March 2021 with a total of $178,150 for year. Selling, general and administrative expenses for the three segments are segregated below. In 2020, the Company received the Ontario Interactive Digital Media Tax Credit ("**OIDMTC**") of $904,940 which was recorded as reduction of Selling, General and Administrative Expense. In absence of this tax credit and corresponding direct cost, the Company's selling, genral and administrative expenses would be $811,981 as compared to $1,036,314 in 2021.

(i) Print-Based English Language Learning

Selling, general and administrative cost for print-based publishing increased from $71,477 in 2020 to $324,686 in 2021. In 2020, the Company received (i) additional support of $55,691 from the Canada Book Fund, (ii) $122,176 from the Canada Emergency Wage Subsidy ("**CEWS**"), and (iii) $27,309 from the Canada Emergency Rent Subsidy, in additional to recording $20,000 in loan forgiveness related to the Canada Emergency Businss Account ("CEBA") in 2020. In 2021, 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 print-based English language learning:

For the Year Ended December 31	**2021**	2020
Sales, marketing & administration	**$ 138,713**	$ 62,634
General admin expense recovery	**(7,145)**	(30,221)
Loss on disposal	**2,445**	-
Consulting fees & salaries	**414,343**	402,588
Travel	**10,745**	16,613
Premises	**31,183**	61,796
Professional fees	**12,929**	12,041
Less: Grants	**(263,889)**	(279,017)
Government subsidies	**(14,637)**	(174,957)
	$ 324,686	$ 71,477

(ii) Online English Language Learning

Selling, general and administrative cost related to online English language learning was $156,181 for the year compared to a recovery of $(566,064) in 2020. In 2020, the Company received $904,940 from the Ontario Interactive Digital Media Tax Credit ("**OIDMTC**") and $59,942 from CEWS and recorded $10,000 loan forgiveness related to CEBA which all were recorded as reduction of Selling, General and Administrative Expense. In 2021, the company participated in the Career Ready Program, a part of the Government of Canada's Student Work Placement Program. It supports businesses by financing their decision to hire a student for a work-term placement. This in turn creates a rewarding opportunity for students to apply their learning in real-world setting and puts them on a path to a bright career. During the year, the Company received $15,000 financial support from the program and recorded $10,000 loan forgiveness related to CEBA, as reduction of Selling, General and Administrative Expense.

For the Year Ended December 31	2021	2020
Sales, marketing & administration	**$ 93,185**	$ 104,407
General admin expense recovery	**-**	(10,000)
Consulting fees & salaries	**54,539**	31,243
Travel	**1,550**	4,066
Premises	**9,000**	48,000
Professional fees	**22,907**	4,035
Less: Government subsidies	**(10,000)**	(69,942)
OIDMTC	**-**	(904,940)
Direct Cost - media tax credit	**-**	227,067
Grants - CRP	**(15,000)**	-
	$ 156,181	$ (566,064)

(iii) Head Office

Selling, general and administrative costs related to head office was $555,447 for the year compared to $568,695 in 2020. Selling, general and administrative costs for this reporting unit increased in 2021 as compared to 2020, which is the result of decrease on expenditures related to professional fees and sharesholder services.

For the Year Ended December 31	2021	2020
Sales, marketing & administration	**$ 78,083**	$ 54,678
Consulting fees & salaries	**353,132**	370,255
Travel	**734**	-
Shareholder services	**54,052**	70,603
Professional fees	**68,645**	73,159
Loss on disposal	**801**	-
	$ 555,447	$ 568,695
Total Selling and Administrative Expenses	**$ 1,036,314**	$ 74,108

Net Income

Total comprehensive income for the Company was $726,573 for the year ended December 31, 2021 as compared to total comprehensive income $1,077,609 in 2020. In 2020, the Company received the Ontario

Interactive Digital Media Tax Credit (“**OIDMTC**”) of $904,940 which was recorded as reduction of Selling, General and Administrative Expense. In absence of the OIDMTC and corresponding direct cost, the Company’s total comprehensive income would be $399,736 as compared to $726,573 in 2021. Total comprehensive income can be attributed to the two operating segments and head office as a reporting segement as shown below:

Online ELL		2021		2020
Revenue	$	613,003	$	340,036
Expenses:				
Direct costs		126,254		109,498
General & administrative		156,181		(566,064)
Bad debt expense		-		32,386
Amortization of property & equipment		1,110		1,030
Development costs		242,904		266,462
Income taxes and other taxes				907
		526,449		(155,781)
Segmented Profit (Loss) - Online ELL	**$**	**86,554**	$	495,817
Print-Based ELL				
Revenue	$	2,026,847	$	1,762,018
Expenses:				
Direct costs		191,373		219,911
General & administrative		324,686		71,477
Amortization of property & equipment		4,149		12,235
Amortization of office lease		16,788		17,346
Income taxes and other taxes		188,903		192,537
		725,899		513,506
Segmented Profit – Print-Based ELL	**$**	**1,300,948**	$	1,248,512
Head Office				
Expenses:				
General & administrative	$	555,447	$	568,695
Amortization of property & equipment		297		581
		555,744		569,276
Total Segmented Profit	**$**	**831,757**	**$**	**1,175,053**
Other				
Foreign exchange gain (loss)	$	16,957	$	(34,200)
Interest and other financial expenses		(13,690)		(7,331)
Share-based payment		(55,932)		(23,144)
Other comprehensive income (loss)		(52,520)		(32,770)
		(105,185)		(97,445)
Total Comprehensive Income (Loss)	**$**	**726,573**	**$**	**1,077,609**

Foreign Exchange

The Company recorded a foreign exchange gain of $16,957 as compared to a foreign exchange loss of $34,200 in 2020, 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 $55,932 compared to $23,144 in 2020.

Net Profit for the Year

The Company reported a net profit of $779,093 for the year as compared to net profit of $1,110,379 in 2020. In absence of OIDMTC and the corresponding direct cost, the Company's net profit in 2020 would have been $432,506 as compared to $779,093 in 2021.

Total Comprehensive Income

The total comprehensive income is calculated after the application of exchange differences on translating foreign operations gain/(loss). The Company reported a total comprehensive income of $726,573 for the year ended December 31, 2021, as compared to a comprehensive income of $1,077,609 in 2020. In absence of OIDMTC and the corresponding direct cost, the Company's total comprehensive income in 2020 would have been $399,736 as compared to $726,573 in 2021.

Summary of Quarterly Results

	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
	Q1-20	Q2-20	Q3-20	Q4 – 20
Revenue	97,124	977,389	68,775	$ 958,766
Income / (Loss) Before Taxes and Other Comprehensive Income	237,055	727,949	(356,241)	695,059
Total Comprehensive Income / (Loss)	399,080	567,802	(400,723)	511,450
Income / (Loss) per Share (Basic)	$0.01	$0.02	$(0.01)	$0.01

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 2021

In the fourth quarter, the Company earned revenue of $1,296,759 in 2021 as compared to $958,766 same period in 2020, an increase of 35% as a result of increase in both online licensing sales and print-based sales. In Q4, the Company recorded $1,109,552 royalty revenues and $187,207 of online licensing sales compared to $859,008 royalty revenues and $99,758 of online licensing sales in Q4 2020. The Company recorded a total comprehensive income of $769,822 in the fourth quarter as compared to $511,450 in the same period of 2020. The improvement in profitability was primarily due to increase in sales.

Liquidity and Capital Resources

As at December 31, 2021, the Company had cash of $1,880,830 compared to $1,212,778 as of December 31, 2020. Accounts and grants receivable of $1,101,908 were outstanding at the end of the year compared to $973,852 in 2020. With 99% of the receivables from PEP and PEP AV and the balance due from ELL Technologies' customers. Subsequent to the year-end, the receivable from PEP and PEP AV has been fully received. Total current assets amounted to $3,079,494 (2020 - $2,355,562) with current liabilities of $367,083 (2020 - $459,006) resulting in working capital balance of $2,712,411 (2020 - $1,896,556).

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.

Lingo Media has access to working capital through equity financings and/or debt financings, if and as required to finance its growth plans. 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 $7,533 (2020 - $24,000) to three corporations with directors in common for rent, administration, office charges and telecommunications of which $483 is included in accounts receivable.

During the year, the company occurred $6,900 director fees to independent directors of which $5,100 is unpaid and included in accrued liabilities.

Key management compensation was $359,132 (2020 - $392,766) and is reflected as consulting fees paid to corporations owned by a director and officers of the Company, of which, $Nil (2020 - $ Nil) is unpaid and included in accrued liabilities.

During the fiscal year, the company granted 1,740,000 options to directors and management with a value of $104,400 (2020 - $5,325).

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.

COVID-19

Since December 31, 2019, the outbreak of the novel strain of coronavirus, specifically identified as "COVID-19," has resulted in governments worldwide enacting emergency measures to combat the spread of the virus. These measures, which include the implementation of travel bans, self-imposed quarantine periods and social distancing, have caused material disruption to businesses globally resulting in an economic slowdown. Global equity markets have experienced significant volatility and weakness. Governments and central banks have reacted with significant monetary and fiscal interventions designed to stabilize economic conditions. The extent to which COVID-19 and any other pandemic or public health crisis impacts the Company's business, affairs, operations, financial condition, liquidity, availability of credit and results of operations will depend on future developments that are highly uncertain and cannot be predicted with any meaningful precision, including new information which may emerge concerning the severity of the COVID-19 virus and the actions required to contain the COVID-19 virus or remedy its impact, among others. The duration and impact of the COVID-19 outbreak is unknown at this time, as is the efficacy of the government and central bank interventions. It is not possible to reliably estimate the length and severity of these developments and the impact on the financial results and condition of the Company and its operating subsidiaries in future periods.

Lingo Media has taken measures to protect its management, employees and contractors and has advised them to work from home and maintain a safe environment to ensure they are healthy and have minimal exposure to the risk of infection.

The Company has contacted all the parties it is working with to ensure they are all working in a safe environment. A number of such parties have had an impact on their operations and ability to collaborate, while, a large number have identified multiple new business opportunities due to COVID-19 and the stay at home order of students in many countries. Lingo Media is offering e-learning solutions which fit the challenges schools and universities are facing by providing an online language learning solutions. In addition, the Company has designed a number of promotions to ensure its clients can easily deploy its suite of products that are well suited for a quarantined environment.

Additional Disclosure

PROPERTY AND EQUIPMENT

	Computer and Office Equipment	Leasehold Improvements	Total
Cost, January 1, 2020	$ 84,828	$ 33,180	$ 118,008
Additions	2,319	-	2,319
Effect of foreign exchange	(195)	-	(195)
Cost, December 31, 2020	$ 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**
Accumulated depreciation, January 1, 2020	$ 59,567	$ 23,226	$ 82,793
Charge for the year	5,314	8,532	13,846
Effect of foreign exchange	(192)	-	(192)
Accumulated depreciation, December 31, 2020	$ 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)	-	(169)
Accumulated depreciation, December 31, 2021	**$ 38,521**	**$ 33,180**	**$ 71,701**
Net book value, December 31, 2020	$ 22,263	$ 1,422	$ 23,685
Net book value, December 31, 2021	**$ 17,123**	**$ -**	**$ 17,123**

RIGHT-OF-USE ASSET AND LEASE OBLIGATION

The Company has one office facility under lease. The lease term is 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 during the year was $16,788. There is no Non-cancellable lease rentals as of the end of the year.

The Company subleased a portion of Suite 609 at 151 Bloor Street West, Toronto Ontario during the fiscal year. During the year, the office lease expense for this location was $8,000. It also has equipment leases and office lease in Beijing which it has determined are not recognized as right of use assets or lease liabilities as they are short-term lease and low dollar value. The Beijing office lease expense for 2021 was $7,119.

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

		Lease Obligation
Lease obligation as of January 1, 2020	$	574,762
Lease obligation recognized on adoption of IFRS 16 on January 1, 2020		42,482
Accretion on lease liability		(117,598)
Lease payment		(480,046)
Lease obligation recognized on December 31, 2020	$	19,600
Accretion on lease liability		-
Lease payment		(19,600)
Adjustment from lease modification		-
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, 2020	$	514,181
Adjustment related to non-current lease obligation		(480,047)
Depreciation on right-of-use assets		(17,346)
Right-of-use assets on December 31, 2020	$	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 $ 170,675 (2020 - $198,201) due to reduction in the value of net liability balance. A 10% of weakening of the US Dollar against Canadian Dollar at December 31, 2021 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, 2021 are as follows:

	2021	2020
	USD	USD
Cash	**1,244,220**	820,597
Accounts receivable	**870,661**	751,586
Accounts payable	**28,757**	15,468

(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, 2021, the Company had cash of $1,880,830 (2020 - $1,212,778), accounts receivable of $ 1,101,908 (2020 - $973,852) to settle current liabilities of $367,083 (2020 - $459,006).

(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, 2021, the Company has outstanding receivables of $1,101,908 (2020 - $973,852). 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, 2021, approximately 0.4%, $5,336 (2020 - 37%, $197,126) of accounts receivable balances over 30 days were not impaired. The consolidated entity has a credit risk exposure with a company located in China, which as at December 31, 2021 owed the consolidated entity $1,095,939 (99% of trade receivables) (2020: $924,096 (95% of trade receivables)). This balance was within its terms of trade and no impairment was made as at December 31, 2021. Subsequent to the year-end, the Company has received payment uin full. There are no guarantees against the 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 29, 2022, the followings are outstanding:

Common Shares	–	35,529,192
Warrants	–	Nil
Stock Options	–	3,940,000

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.