before they achieve full productivity. Recent hires and planned hires may not become productive as quickly as expected, and the Company may be unable to hire or retain sufficient numbers of qualified individuals in the markets where it does business or plans to do business. In addition, if the Company grows rapidly, a large percentage of its sales team will be new to the Company and its offerings. If the Company is unable to hire and train sufficient numbers of effective sales personnel, or the sales personnel are not successful in obtaining new customers or increasing sales to its existing customer base, its business will be adversely affected.

No Long-Term Customer Commitments

The Company's customers will do business by placing insertion orders for particular advertising campaigns. If the Company performs well on a particular campaign, then the advertisers or the advertising agency representing such advertisers may place new insertion orders with the Company for additional advertising campaigns. The Company generally will have no commitment from an advertiser beyond the campaign governed by a particular insertion order. Insertion orders may be cancelled by advertisers or their advertising agencies prior to the completion of the campaign without penalty. As a result, the Company's success is dependent upon its ability to outperform competitors and win repeat business from existing advertisers, while continually expanding the number of advertisers for whom it provides services. In addition, it is relatively easy for advertisers and the advertising agencies that represent them to seek an alternative provider for their advertising campaigns because there are no significant switching costs, and agencies often have relationships with many different providers, each of whom may be running portions of the same advertising campaign. Because the Company does not have long-term contracts, management may not accurately predict future revenue streams and there can be no assurance that current advertisers will continue to use the Company's Marketing Platform and AR Block, or that the Company will be able to replace departing advertisers with new advertisers that provide the Company with comparable revenue.

Failure to Properly Manage Growth

Growth in the Company's business may strain the Company's management, financial, and other resources. The Company relies heavily on information technology, or IT, systems to manage critical functions such as advertising campaign management and operations, data storage and retrieval, revenue recognition, budgeting, forecasting and financial reporting. To manage any future growth effectively, the Company must expand its sales, marketing, technology and operational staff, invest in research and development of its Marketing Platform and/or new offerings, enhance its financial and accounting systems and controls, integrate new personnel or contractors, and successfully manage expanded operations. As the Company grows, it will incur additional expenses, and its growth may place a strain on resources, infrastructure and ability to maintain the quality of its offering. Accordingly, the Company may not be able to effectively manage and coordinate growth so as to achieve or maximize future profitability.

Reliance on Third Parties

The Company anticipates that it will continue to depend on various third-party relationships in order to grow its business. The Company continues to pursue additional relationships with third parties, such as technology and content providers, real-time advertising exchanges, market research companies, co-location facilities and other strategic partners. Identifying, negotiating and documenting relationships with third parties requires significant time and resources as does integrating third party data and services. The Company's agreements with channel partners and providers of technology, computer hardware, co-location facilities, content and consulting services and real-time advertising exchanges are typically non-exclusive, in that they do not prohibit these third parties from working with the Company's competitors or from offering competing services. These third parties can generally terminate their arrangements with the Company at any time. The Company's competitors may be effective in providing incentives to third parties to favour their products or services or to prevent or reduce purchases of the Company's offerings. In addition, these third parties may not perform as expected under the Company's agreements with them, and the Company may have disagreements or disputes with such third parties, which could negatively affect the Company's brand and reputation.

In particular, the Company's continued growth depends on its ability to source computer hardware, including servers built to its specifications, and the ability to locate those servers and related hardware in co-location facilities in the most desirable locations to facilitate the timely delivery of its services. Similarly, disruptions in the services provided at co-location facilities that the Company relies upon can degrade the level of services that it can provide, which may harm the Company's business. The Company also relies on its integration with many third-party technology providers to execute its business on a daily basis. The Company must efficiently direct a large amount of network traffic to and from its servers to consider billions of bid requests per day, and each bid typically must take place in approximately 100 milliseconds. The Company relies on a third-party domain name service, or DNS, to direct traffic to its closest data center for efficient processing. If the Company's DNS provider experiences disruptions or performance problems, this could result in inefficient balancing of traffic across the Company's servers as well as impairing or preventing web browser connectivity to the Company's Marketing Platform, which may harm its business.

Personnel

The loss of any member of the Company's management team, and in particular, its co-founders, could have a material adverse effect on its business and results of operations. In addition, an inability to hire, or the increased costs of new personnel, including members of executive management, could have a material adverse effect on the Company's business and operating results.

At present and for the near future, the Company will depend upon a relatively small number of employees and contractors to develop, market, sell and support its Marketing Platform and AR Block. The expansion of technology, marketing and sales of its Marketing Platform and AR Block will require the Company to find, hire, and retain additional capable employees or subcontractors who can understand, explain, market, and sell its technology. There is intense competition for capable personnel in all of these areas, and the Company may not be successful in attracting, training, integrating, motivating, or retaining new personnel, vendors, or subcontractors for these required functions. New employees often require significant training and, in many cases, take significant time before they achieve full productivity. As a result, the Company may incur significant costs to attract and retain employees, including significant expenditures related to salaries and benefits and compensation expenses related to equity awards, and may lose new employees to its competitors or other companies before it realizes the benefit of its investment in recruiting and training them.

In addition, as the Company moves into new geographies, it will need to attract and recruit skilled employees in those areas. The Company has no experience with recruiting in geographies outside of Canada and the U.S., and may face additional challenges in attracting, integrating and retaining international employees.

Lack of Transparency Over Fees and Net CPMs

Despite programmatic media's focus on efficiency, advertisers are often paying significantly higher CPMs (cost per thousand) for programmatic non-guaranteed buys than a publisher receives net of fees. By itself, this pricing model is not problematic, as transactional technology has a concrete value in the purchase cycle and needs to be priced accordingly. However, the lack of transparency, where technology fees are not broken out from CPMs, results in buyers and sellers evaluating inventory value and return on investment based on limited information

Cyclical Nature of Industry

The advertising industry is cyclical and tends to peak in Q2 and more so in Q4. Q1 and Q3 tend to be the softest quarters. This trend carries through to online advertising where this pattern is also seen, with Q4 budgets and therefore revenues typically much larger than the other three quarters. This follows consumer spending cycles and advertisers keen to spend budgets in Q4 when consumers are spending heavily for the holiday season.

Risks Associated with Insertion Orders

The Company operates in business relationships under the terms of Insertion Orders ("IO"). These IOs are typically open ended but can be terminated at short notice. Equally they have no minimum and maximum spend and the ability to generate revenue is dependent on the Company's ability to secure appropriate users and match them to the appropriate advertisers.

Volatility of Blockchain Related Operations

As is typical with any relatively new technology, there is significant volatility in consumer, client and public sentiment. This volatility could translate into both a significant increase or a decrease of adoption of its blockchain AR technology, which may or may not be related to the actual business or product performance. This could impact growth rate, investor confidence or even in the worst case the viability of the AR factoring business.

Financial and Accounting Risks

Additional Financing

There can be no certainty that the Company's financial resources and revenue from sales will be sufficient for its future needs. The Company may need to incur significant expenses for growth, operations, research and development, as well as sales and marketing of its Marketing Platform and AR Block. In addition, other unforeseen costs could also require additional capital. The ability of the Company to arrange such financing in the future will depend in part upon the prevailing capital market conditions as well as the business performance of the Company. It may be difficult or impossible for the Company to obtain debt financing or equity financing on commercially acceptable terms. This may be further complicated by the limited market liquidity for shares of smaller companies such as the Company, restricting access to some institutional investors. There is a risk that interest rates will increase given the current historical low level of interest rates. An increase in interest rates could result in a significant increase in the amount that the Company pays to service future debt incurred by the Company and affect the Company's ability to fund ongoing operations. If additional financing is raised by the issuance of Common Shares or other securities convertible into Common Shares, control of the Company may change and shareholders of the Company may suffer dilution. If adequate funds are not available, or not available on acceptable terms, the Company may not be able to take advantage of opportunities, or otherwise respond to competitive pressures and continue operations. Any debt financing that is secured in the future could involve restrictive covenants relating to the Company's future capital raising activities and other financial and operational matters, including the ability to pay dividends. This may make it more difficult for the Company to obtain additional capital and to pursue business opportunities, including potential acquisitions.

Estimates or Judgments Relating to Critical Accounting Policies

The preparation of financial statements in conformity with IFRS requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. The Company bases its estimates on historical experience and on various other assumptions that it believes to be reasonable under the circumstances, as provided in the Company's MD&A, the results of which form the basis for making judgments about the carrying values of assets, liabilities, equity, revenue and expenses that are not readily apparent from other sources. The Company's operating results may be adversely affected if the assumptions change or if actual circumstances differ from those in the assumptions, which could cause the Company's operating results to fall below the expectations of securities analysts and investors, resulting in a decline in the price of the Common Shares. Significant assumptions and estimates used in preparing the financial statements include those related to the credit quality of accounts receivable, income tax credits receivable, share-based payments, impairment tests for non- financial assets, as well as revenue and cost recognition.

Internal Controls over Financial Reporting

As a result of the Company's limited administrative staffing levels, internal controls which rely on segregation of duties in many cases are not possible. The Company does not have the resources, size and scale to warrant the hiring of additional staff to address this potential weakness at this time. To help mitigate the impact of this, the Company is highly reliant on the performance of compensating procedures and senior management's review and approval.

As a venture issuer, the Company is not required to certify the design and evaluation of its disclosure controls and procedure ("DC&P") and internal controls over financial reporting ("ICFR"), and as such the Company has not completed such an evaluation. 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 National Instrument 52-109 – *Certification of Disclosure in Issuers' Annual and Interim Filings*, may result in additional risks to the quality, reliability, transparency and timeliness of interim and annual filings and other reports provided under securities legislation.

Industry Risks

Competition

The existing and anticipated markets for the Company's Marketing Platform are highly competitive. Barriers to enter the market are low and additional companies may enter the market with competing offerings as the size and visibility of the market opportunity continues to increase. Existing industry participants may also develop or improve their own offerings to achieve cost efficiencies and deliver additional value. In addition, the Company's customers could develop their own solutions. Many of the Company's competitors have longer operating histories, greater name recognition, substantially greater financial, technical, marketing, management, service, support, and other resources than does the Company. They may be able to respond more quickly than the Company can to new or changing opportunities, technologies, standards, or customer requirements.

In addition to other companies offering programmatic and real time bidding solutions, the Company also competes with services offered through large online portals that have significant brand recognition, such as Yahoo and Google. These large portals have substantial proprietary digital advertising inventory that may provide them with competitive advantages, including far greater access to internet user data, and the ability to significantly influence pricing for digital advertising inventory. The Company also competes for a share of advertisers' total online advertising budgets, including traditional advertising media, such as direct mail, television, radio, cable and print.

New products or technologies will likely increase competitive pressures and competition could result in pricing pressures, reduced margins, or the failure of the Company's offerings to achieve or maintain acceptance in existing or anticipated markets. The development of competing offerings or technologies by market participants or the emergence of new industry or government standards may adversely affect the Company's competitive position.

As a result of these and other factors, the Company may be unable to compete effectively with current or future competitors. Such inability would likely have a material adverse effect on the Company's business, financial condition and results of operations.

Furthermore, as the AR blockchain landscape matures and existing financial services businesses become familiar with the benefits of the technology, it is probable that those competitors will likely attempt to enter the same market. Given their significantly greater capitalization, client base and experience it is likely that they could compete effectively with the Company.

Use of Third-Party Cookies

The widespread use of the internet across the globe is attributable in part to the ability of internet users to access valuable content quickly and free of charge. Digital media content providers, or publishers, who support the creation and distribution of this content do so largely by selling advertisements on their properties, similar to the business model of television and radio broadcasters. Internet users' online activity generates a vast amount of data, such as advertising viewed and responded to, and advertisers' websites visited, and is valuable to advertisers seeking to reach an optimal audience. Online, it is possible to serve advertisements to potential consumers based upon inferred interests. These interests may be inferred in part based on web-browsing history. The use of web browsing history to inform advertising purchase decisions is commonly referred to as "interest-based" or "online behavioral" advertising. Advertisers are willing to make a greater investment in, and pay a higher rate for, digital advertising when this interest-based data can be used to inform decisions about purchasing advertising impressions to reach desired consumers.

The use of interest-based online advertising has come under scrutiny globally by consumer advocacy organizations and regulatory agencies that focus on online privacy. More specifically, these groups have voiced concern about the use of "cookies" (small text files) and other online tools to record an internet user's browsing history, and the use of that information to deliver advertisements online based on inferred interests of the internet user.

The Company relies upon access to large volumes of data, including web browsing history, primarily through cookies in connection with its Marketing Platform. The Company's cookies are known as "third party cookies" because they are placed on individual browsers when internet users visit a website owned by a publisher, advertiser or other first party that has given the Company permission to place cookies. These cookies are placed through an internet browser on an internet user's computer and correspond with a data set that is kept on the Company's servers. The Company's cookies record certain information, such as when an internet user views an advertisement, clicks on an advertisement, or visits one of the Company's advertiser's websites through a browser while the cookie is active. The Company uses these cookies to help it achieve advertisers' campaign goals, to help it ensure that the same internet user does not unintentionally see the same advertisement, to report aggregate information to advertisers regarding the performance of their advertising campaigns and to detect and prevent fraudulent activity. The Company also uses data from cookies to help it decide whether to bid on, and how to price, an opportunity to place an advertisement in a certain location, at a given time, in front of a particular internet user. Without cookie data, the Company may bid on advertising without as much insight into activity that has taken place through an internet user's browser. A lack of cookie data may detract from the Company's ability to make decisions about which inventory to purchase for an advertiser's campaign, and undermine the effectiveness of its Marketing Platform.

Cookies may easily be deleted or blocked by internet users. Most commonly used internet browsers allow internet users to modify their browser settings to prevent cookies from being accepted by their browsers. Internet users can also delete cookies from their computers at any time. Certain internet users also download free or paid "ad blocking" software that prevents third party cookies from being stored on a user's computer. If more internet users adopt these settings or delete their cookies more frequently than they currently do, the Company's business could be harmed. In addition, some internet browsers block third party cookies by default, and other internet browsers may implement similar features in the future. Unless such default settings in browsers are altered by internet users to accept third party cookies, fewer of the Company's cookies may be set in browsers, adversely affecting its business.

Certain international jurisdictions have adopted and implemented legislation that negatively impacts the use of cookies for online advertising, and additional jurisdictions may do so in the future. Currently, although the Canadian Anti-Spam Legislation ("CASL") requires consent to install a computer program, CASL provides a deemed express consent for the installation of a cookie. Limitations on the use or effectiveness of cookies may impact the performance of the Marketing Platform. The Company may be required to, or otherwise may determine that it is advisable to, develop or obtain additional tools and technologies to compensate for the lack of cookie data. The Company may not be able to develop or implement additional tools that compensate for the lack of cookie data. Moreover, even if the Company is able to do so, such additional tools may be subject to further regulation, time consuming to develop or costly to obtain, and less effective than the Company's current use of cookies.

Potential "Do Not Track" Standards

As the use of cookies has received ongoing media attention in recent years, some government regulators and privacy advocates have suggested creating a "Do Not Track" standard that would allow internet users to express a preference, independent of cookie settings in their browser, not to have website browsing recorded. In 2010, the U.S. Federal Trade Commission ("FTC"), issued a staff report criticizing the advertising industry's self-regulatory efforts as too slow and lacking adequate consumer protections. In 2012, a subsequent staff report was issued by the FTC, indicating that the FTC had brought enforcement actions against various online advertisers for failure to honour consumer opt outs. The FTC emphasized a need for simplified notice, choice and transparency to the consumer regarding collection, use and sharing of data, and suggested implementing a "Do Not Track" browser setting that allows consumers to choose whether to allow "tracking" of their online browsing activities. All major internet browsers have implemented some version of a "Do Not Track" setting. Microsoft's Internet Explorer 10 and 11 include a "Do Not Track" setting that is selected by default. However, there is no definition of "tracking," no consensus regarding what message is conveyed by a "Do Not Track" setting and no industry standards regarding how to respond to a "Do Not Track" preference. The World Wide Web Consortium chartered a "Tracking Protection Working Group" in 2011 to convene a multi-stakeholder group of academics, thought leaders, companies, industry groups and consumer advocacy organizations, to create a voluntary "Do Not Track" standard for the web. The group has yet to agree upon a standard. The "Do-Not-Track Online Act of 2013" was introduced in the U.S. Senate in February 2013. If a "Do Not Track" browser setting is adopted by many internet users, and the standard either imposed by legislation or agreed upon by standard setting groups, prohibits the Company from using non-personal information as it currently does, then that could hinder growth of advertising and content production on the web generally, cause the Company to change its business practices and adversely affect its business.

Legislation and Regulation

Government regulation may increase the costs of doing business online. The Canadian and certain foreign governments have enacted or are considering legislation related to online advertising and management of the Company expects to see an increase in legislation and regulation related to advertising online, the use of geo-location data to inform advertising, the collection and use of anonymous internet user data and unique device identifiers, such as internet protocol (or IP) address or mobile unique device identifiers, and other data protection and privacy regulation. Such legislation could affect the costs of doing business online, and may adversely affect the demand for the Company's offerings or otherwise harm its business, results of operations and financial condition. For example, a wide variety of provincial, state, national and international laws and regulations apply to the collection, use, retention, protection, disclosure, transfer and other processing of personal information. The *Personal Information Protection and Electronic Documents Act* and substantially similar provincial privacy laws in Canada provide that IP addresses are personal information. Currently, the Company collects and stores IP addresses. While the Company takes measures to protect the security of information that it collects, uses and discloses in the operation of its business, if there is a data breach, there is a potential for claims for damages by consumers whose personal information has been disclosed without authorization. Evolving and changing definitions of personal information, within the Canada, the U.S. and elsewhere, especially relating to classification of machine or device identifiers, location data and other information, have in the past, and may cause the Company to, in the future, change business practices, or limit or inhibit the Company's ability to operate or expand its business. Data protection and privacy-related laws and regulations are evolving and may result in ever-increasing regulatory and public scrutiny and escalating levels of enforcement and sanctions. While the Company takes measures to protect the security of information that it collects, uses and discloses in the operation of its business, and to offer certain privacy protections with respect to such information, such measures may not always be effective.

In addition, while the Company takes steps to avoid collecting personally identifiable data about consumers (other than IP addresses), it may inadvertently receive this information from advertisers or advertising agencies or through the process of delivering advertising and may inadvertently release this information in contravention of applicable privacy legislation. The Company's failure to comply with applicable laws and regulations, or to protect personal information, could result in enforcement action against the Company, including fines, imprisonment of its officers and public censure, claims for damages by consumers and other affected individuals, damage to the company's reputation and loss of goodwill, any of which could have a material adverse impact on operations, financial performance and business. Even the perception of privacy concerns, whether or not valid, may harm the Company's reputation and inhibit adoption of its offerings by current and future advertisers and advertising agencies.

Infringement of Intellectual Property Rights

If the Company's proprietary Marketing Platform or AR Block platform violates or is alleged to violate third party proprietary rights, the Company may be required to reengineer its technology or seek to obtain licenses from third parties to continue offering its technology without substantial reengineering. Any such efforts may not be successful or if successful could require payments that may have a material adverse effect on profitability and financial condition. Any litigation involving infringement claims would be expensive and time-consuming, and an adverse outcome may result in payment of damages or injunctive relief that could materially and adversely affect the Company's business.

Circumstances outside of the Company's control could pose a threat to its intellectual property rights. Effective intellectual property protection may not be available in the U.S., Canada or other countries in which the Marketing Platform or AR Block business is offered in the future. In addition, the efforts that have been taken to protect the Company's intellectual property rights may not be sufficient or effective. Any impairment of the Company's intellectual property rights could harm its business, its ability to compete and harm its operating results.

The Company does not independently verify whether it is permitted to deliver advertising to its advertisers' internet users or that the content of the advertisements it delivers is legally permitted. The Company receives representations from advertisers that the content of the advertising that the Company places on their behalf is lawful. The Company also relies on representations from its advertisers that they maintain adequate privacy policies that allow the Company to place pixels on their websites and collect valid consents from users that visit those websites to collect and use such user's information to aid in delivering the Company's offerings. If any of these representations are untrue and the Company's advertisers do not abide by laws governing their content or privacy practices, the Company may become subject to legal claims and exposed to potential liability and expense (for which it may or may not be indemnified), and its reputation may be damaged.

Use of Open-Source Software Components

The Company's Marketing Platform, including its computational infrastructure, relies on software licensed to it by third party authors under "open source" licenses. The use of open-source software may entail greater risks than the use of third-party commercial software, as open-source licensors generally do not provide warranties or other contractual protections regarding infringement claims or the quality of the code. Some open-source licenses contain requirements that the Company make available source code for modifications or derivative works the Company creates based upon the type of open-source software the Company uses. If the Company combines its proprietary software with open-source software in a certain manner, the Company could, under certain open-source licenses, be required to release the source code of its proprietary software to the public. This would allow the Company's competitors to create similar solutions with lower development effort and time and ultimately put the Company at a competitive disadvantage.

Although the Company monitors its use of open-source software to avoid subjecting its products to conditions it does not intend, the terms of many open-source licenses have not been interpreted by Canadian courts, and there is a risk that these licenses could be construed in a way that could impose unanticipated conditions or restrictions on the Company's ability to commercialize its services. Moreover, the Company cannot guarantee that its processes for controlling its use of open-source software will be effective. If the Company is held to have breached the terms of an open source software license, it could be required to seek licenses from third parties to continue operating its Marketing Platform on terms that are not economically feasible, to re-engineer its Marketing Platform or the supporting computational infrastructure to discontinue use of certain code, or to make generally available, in source code form, portions of its proprietary code, any of which could adversely affect the Company's business, operating results and financial condition.

Unanticipated Problems Associated with the Marketing Platform and AR Block

The Company depends upon the sustained and uninterrupted performance of its Marketing Platform and AR Block to operate a number of campaigns at any given time; manage its inventory supply; bid on inventory for each campaign; serve or direct a third party to serve advertising; collect, process and interpret data; and optimize campaign performance in real time and provide billing information. Because the Company's software is complex, undetected errors and failures may occur, especially when new versions or updates are made. The Company's Marketing Platform may contain undetected errors or "bugs", which result in system failures, or failure to perform in accordance with industry or customer expectations. Despite the Company's plans for quality control and testing measures, its Marketing Platform, including any enhancements, may contain such bugs or exhibit performance degradation, particularly during periods of rapid expansion. In such an event, the Company may be required or choose to expend additional resources to help mitigate any problems resulting from errors in its software. Product or system performance problems could result in loss of or delay in revenue, loss of market share, failure to achieve market acceptance, adverse publicity, diversion of development resources and claims against the Company by its customers and other parties.

Mobile Advertising

The Company's success in the mobile advertising channel depends upon the ability of its Marketing Platform to integrate with mobile inventory suppliers and provide advertising for most mobile connected devices, as well as the major operating systems that run on them and the thousands of applications that are downloaded onto them. The design of mobile devices and operating systems is controlled by third parties with whom the Company does not have any formal relationships. These parties frequently introduce new devices, and from time to time they may introduce new operating systems or modify existing ones. Network carriers may also impact the ability to access specified content on mobile devices. If the Company's Marketing Platform is unable to work on these devices or operating systems, either because of technological constraints or because a maker of these devices or developer of these operating systems wishes to impair the Company's ability to provide advertisements on them or the Company's ability to fulfill advertising space, or inventory, from developers whose applications are distributed through their controlled channels, the Company's ability to generate revenue could be significantly harmed.

Obsolescence

The Company's business is characterized by rapid technological change, frequent new product and service introductions and enhancements, uncertain product life cycles, changes in customer requirements, and evolving industry standards. The introduction of new products embodying new technologies, the emergence of new industry standards, or improvements to existing technologies could render the Company's Marketing Platform obsolete or relatively less competitive. The Company's future success will depend upon its ability to continue to develop and expand its Marketing Platform and AR Block and to address the increasingly sophisticated needs of its customers. The Company may experience delays in releasing new offerings or enhancements in the future. Material delays in introducing new offerings or enhancements may cause customers to forego purchases of the Company's offering to purchase offerings of competitors instead.

Catastrophic Events

The Company's maintains servers at co-location facilities in Canada that it uses to deliver advertising campaigns for its advertisers. Any of its existing and future facilities may be harmed or rendered inoperable by attack or security intrusion by a computer hacker, natural or man-made disasters, including earthquakes, tornadoes, hurricanes, wildfires, floods, nuclear disasters, war, acts of terrorism or other criminal activities, infectious disease outbreaks and power outages, any of which may render it difficult or impossible for the Company to operate its business for some period of time. If the Company were to lose the data stored in one or more of its co-location facilities, it could take several days, if not weeks, to recreate this data from multiple sources, which could result in significant negative impact on its business operations, and potential damage to its advertiser and advertising agency relationships. Any disruptions in the Company's operations could negatively impact its business and results of operations, and harm its reputation. In addition, the Company may not carry sufficient business interruption insurance to compensate for the losses that may occur. Any such losses or damages could have a material adverse effect on the Company's business, financial condition and results of operations.

Economic, Political and Market Conditions

The Company's business depends on the overall demand for advertising and on the economic health of its current and prospective advertisers. Economic downturns or instability in political or market conditions may cause current or new advertisers to reduce their advertising budgets. Adverse economic conditions and general uncertainty about continued economic recovery are likely to affect the Company's business prospects. This uncertainty may cause general business conditions in Canada and the U.S. and elsewhere to deteriorate or become volatile, which could cause advertisers to delay, decrease or cancel purchases of the Company's offerings, and expose the Company to increased credit risk on advertiser orders, which, in turn, could negatively impact its business, financial condition and results of operations. In addition, continued geopolitical turmoil in many parts of the world have and may continue to put pressure on global economic conditions, which could lead to reduced spending on advertising.

Bitcoin Mining Risks

Entry into crypto asset development business

The crypto asset business is highly competitive, and is populated with many companies, large and small, with the capital and expertise to evaluate, purchase and exploit new and innovative opportunities. Even with capital and experience, industry risks are significant. Regulatory compliance is an increasingly complex and costly obstacle to many new projects, and even if compliance is obtained, it may be sufficiently restrictive to stifle innovation of start-up opportunities with distributed ledger technology. The Company may not be able to finance its potential growth as demand on human resources increases. There is no assurance that its entry into this business activity will be successful.

Digital Asset Pricing Risk

The pricing of Bitcoin and digital assets is affected by numerous factors including international supply and demand, interest rates, inflation or deflation, and global political and economic conditions. The profitability of the Company will be directly related to the current and future pricing of Bitcoin and digital assets in general. In particular, a decline in the market price of Bitcoin or the failure of the public to value its offerings produced could have a negative impact on the Company's future operations and financial results. In addition, a lack of market liquidity could limit the Company`s ability to sell Bitcoin on a timely basis and at acceptable pricing levels.

Risk of Security Breaches

Breaches in network security, computer malfeasance and hacking are continuing concerns in the Bitcoin exchange markets and in connection with digital assets. Typically, security breaches result in unauthorized access, from internal or external sources, to information, systems and control, to cause intentional damage and disruption of data transactions, hardware and related technologies which could result in unquantifiable loss to the Company's business operations and loss of digital assets.

Technology Security

Constantly changing technology used in the Bitcoin mining networks continually introduces opportunities for malicious actors to breach security protocols and potentially damage, steal or control Company assets.

Bitcoin Hard-Fork Risk

A Bitcoin hard fork refers to a change to the underlying protocol of Bitcoin's blockchain, which may result in two branches, one that follows the previous protocol and one that follows the new version. Various hard forks of Bitcoin exist, such as Bitcoin ash and Bitcoin Gold. The Company cannot predict what affect any future hard fork(s) may have on Bitcoin's price.

Bitcoin Halving Risk

Bitcoin halving, which occurs every four years, is an event that triggers a 50% reduction in the Bitcoin revenue earned by the Bitcoin miners for every transaction verified by the miner. The reward, currently 6.25 Bitcoin per block, will halve again in 2024. Each halving event has historically resulted in a reduction in network difficulty rates that have corresponded to the reduction in the reward. This, however, cannot be assured or even forecast, and as such, represents a risk to the profitability of Bitcoin mining and the Company's ability to continue as a going concern.

Bitcoin Pricing Volatility Risk

The wide fluctuation of Bitcoin pricing creates a risk to the earnings capability and Bitcoin asset valuations that could be material to the results of operations and financial position of the Company.

Bitcoin and Digital Asset Market Adoption

Currently, there is relatively small use of Bitcoin and adoption of digital assets in in the retail and commercial marketplace in comparison to the relatively larger use by speculators and investors. This uneven growth will contribute to volatility in pricing and could adversely affect an investment in the Company's shares. Further, if fees increase for recording transactions on the Bitcoin blockchain, demand for Bitcoin may be reduced and contribute to slowing growth of the Bitcoin network to retail and commercial enterprises resulting in market limitations and associated Bitcoin demand and valuation challenges.

Continuity of Power Supply

Bitcoin mining consumes large amounts of electrical power and as such, the Company is dependent on robust and continual supply of power at rates that make Bitcoin mining operations efficient and profitable. Disruption in the power supply will have immediate financial consequences to the Company, and if prolonged, result in material losses in Bitcoin earnings, and additional expenses that may be incurred to replace or rectify the power supply.

Bitcoin Miner Obsolescence and Replacement

Technical advances in the efficiency of Bitcoin miners are being made on a continual basis and periodic introductions of new advanced miners can quickly obsolete the Company's existing miners in terms of efficiency and performance, relative to other industry Bitcoin miners. This could result in a reduction in Bitcoin rewards earned and ultimate profitability. Replacement of obsolete miners, or replacement of defective machines, cannot be assured due to competitive market conditions and uncertain pricing.

Debt Facilities and Collateral

In the expansion of the Company's Bitcoin mining business, it is contemplating debt financing from one or more sources of funding. Were the Company to default on its payment obligations under the terms of these facilities, the Company could lose possession of its Bitcoin miners and related infrastructure, rendering significant damage to the Company ability to carry on operations.

Regulatory Risks

The regulatory and legal regimes governing blockchain technologies, crypto assets and decentralized finance protocols across the globe are uncertain and evolving, and new regulations, protocols or policies, including a change of laws, potential bans or restrictions on trading of crypto assets, may materially and adversely affect the Company and its ability to generate revenue through Bitcoin.

Governments may act in the future that prohibit or restrict the right to acquire, own, hold, sell, use, or trade digital currencies or exchange digital currencies for fiat currency. Such restrictions, while impossible to predict, could result in the Company liquidating its digital currencies inventory at unfavorable prices which may have a material adverse effect on the Company. The Company has liquidated a portion of coins, partially to mitigate against the aforementioned risk.

Volatility underlying digital currency and assets

The Company is at risk due to the volatility/momentum pricing of any underlying digital currency mined by the Company and held in inventory – wide fluctuations in price, speculation, negative media coverage (highlighting for example, regulatory actions and lawsuits against industry participants) and downward pricing may adversely affect investor confidence, and ultimately, the value of the Company's digital currency inventory which may have a material adverse effect on the Company, including an adverse effect on the Company's profitability from current operations. The Company is also at risk due to the volatility of network hashrates (and lag between network hashrate and underlying cryptocurrency pricing), which may have an adverse effect on the Company's costs of mining. The Company is also at risk due to volatility in energy (electricity) pricing, a key factor in the Company's profitability of its mining operations, which is subject to, among other things, government regulation and natural occurrences which affect pricing.

Crypto asset transactions are irreversible and may result in significant losses
Crypto asset transactions are irreversible, and any assets that are stolen or incorrectly transferred between parties may be irretrievable. Once a transaction has been validated by nodes on the network and recorded on the blockchain, there is no reasonable method by which to retrieve those assets without the direct cooperation of the entity receiving the asset. In the event of theft, there will be no recourse available to restore ownership of stolen assets. An incorrectly placed crypto asset transaction cannot be reversed, which will result in the permanent loss of crypto assets.

Loss of value of digital currency

The Company intends to hold its digital currencies in cold storage solutions not connected to the internet. The Company may not be able to liquidate its digital currency inventory at economic values, or at all. Due to the infancy of the cryptocurrency industry, the Company may have restricted access to services available to more mainstream businesses (for example, banking services). The general acceptance and use of digital currencies may never gain widespread or significant acceptance, which may materially adversely affect the value of the Company's digital currency inventory and long-term prospects of current operations.

Risks Related to the Company's Common Shares

Market for Company's Common Shares

Technology stocks have historically experienced high levels of volatility and the Company cannot predict the prices at which the Common Shares will trade. Fluctuations in the market price of the Common Shares could cause an investor to lose all or part of its investment in Common Shares. Factors that could cause fluctuations in the trading price of the Common Shares include (i) announcements of new offerings, products, services or technologies, commercial relationships, acquisitions or other events by the Company or its competitors; (ii) price and volume fluctuations in the overall stock market from time to time; (iii) significant volatility in the market price and trading volume of technology companies in general and of companies in the digital advertising industry in particular; (iv) fluctuations in the trading volume of the Common Shares or the size of the Company's public float; (v) actual or anticipated changes or fluctuations in the Company's results of operations; (vi) whether the Company's results of operations meet the expectations of securities analysts or investors; (vii) actual or anticipated changes in the expectations of investors or securities analysts; (viii) litigation involving the Company, its industry, or both; (ix) regulatory developments in Canada, the U.S., and foreign countries; (x) general economic conditions and trends; (xi) major catastrophic events; (xii) escrow releases or sales of large blocks of the Common Shares; (xiii) departures of key employees or members of management; or (xiv) an adverse impact on the Company from any of the other risks cited herein.

Analyst Coverage

The trading market for the Common Shares will, to some extent, depend on the research and reports that securities or industry analysts publish about the Company or its business. The Company does not have any control over these analysts. If one or more of the analysts who covers the Company should downgrade the Common Shares or change their opinion of the Company's business prospects, the Company's share price would likely decline. If one or more of these analysts ceases coverage of the Company or fails to regularly publish reports on the Company, the Company could lose visibility in the financial markets, which could cause the Company's share price or trading volume to decline.

Estimates or Judgments Relating to Critical Accounting Policies

The preparation of financial statements in conformity with International Financial Reporting Standards, or IFRS, requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. P2EARN bases its estimates on historical experience and on various other assumptions that it believes to be reasonable under the circumstances, the results of which form the basis for making judgments about the carrying values of assets, liabilities, equity, revenue and expenses that are not readily apparent from other sources. P2EARN's operating results may be adversely affected if the assumptions change or if actual circumstances differ from those in the assumptions, which could cause P2EARN's operating results to fall below the expectations of securities analysts and investors, resulting in a decline in the share price of P2EARN. Significant assumptions and estimates used in preparing the financial statements include those related to the credit quality of accounts receivable, income tax credits receivable, share-based payments, impairment tests for non-financial assets, as well as revenue and cost recognition.

Internal Controls over Financial Reporting
As a result of P2EARN's limited administrative staffing levels, internal controls which rely on segregation of duties in many cases are not possible. P2EARN does not have the resources, size and scale to warrant the hiring of additional staff to address this potential weakness at this time. To help mitigate the impact of this, P2EARN is highly reliant on the performance of compensating procedures and senior management's review and approval.

As a venture issuer, P2EARN will not be required to certify the design and evaluation of its disclosure controls and procedure ("DC&P") and internal controls over financial reporting ("ICFR"), and as such P2EARN has not completed such an evaluation. 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 National Instrument 52-109 Certification of Disclosure in Issuers' Annual and Interim Filings may result in additional risks to the quality, reliability, transparency and timeliness of interim and annual filings and other reports provided under securities legislation.

Industry Risks

Market Competition and Technological Changes

The existing and anticipated markets for P2EARN's Programmatic Marketing Platform are highly competitive. Barriers to enter the market are low and additional companies may enter the market with competing offerings as the size and visibility of the market opportunity continues to increase. Existing industry participants may also develop or improve their own offerings to achieve cost efficiencies and deliver additional value. In addition, P2EARN's customers could develop their own solutions. Many of P2EARN's competitors have longer operating histories, greater name recognition, substantially greater financial, technical, marketing, management, service, support, and other resources than does P2EARN. They may be able to respond more quickly than P2EARN can to new or changing opportunities, technologies, standards, or customer requirements.

In addition to other companies offering Programmatic and real time bidding solutions, P2EARN also competes with services offered through large online portals that have significant brand recognition, such as Yahoo and Google. These large portals have substantial proprietary digital advertising inventory that may provide them with competitive advantages, including far greater access to internet user data, and the ability to significantly influence pricing for digital advertising inventory. P2EARN also competes for a share of advertisers' total advertising budgets with online search advertising, for which P2EARN does not offer a solution, and with traditional advertising media, such as direct mail, television, radio, cable and print.

Some of the competitors mentioned above also act as suppliers of P2EARN, putting them in a potential conflict of interest position. There is a risk that such competitors may, in the future, constrain or entirely cut off P2EARN from its sources of supply of inventory in order to improve their own competitive position in the markets targeted by P2EARN.

New products or technologies will likely increase competitive pressures and competition could result in pricing pressures, reduced margins, or the failure of P2EARN's offerings to achieve or maintain acceptance in existing or anticipated markets. The development of competing offerings or technologies by market participants or the emergence of new industry or government standards may adversely affect P2EARN's competitive position.

As a result of these and other factors, P2EARN may be unable to compete effectively with current or future competitors. Such inability would likely have a material adverse effect on P2EARN's business, financial condition and results of operations.

Legislation and Regulation

Government regulation may increase the costs of doing business online. The Canadian and certain foreign governments have enacted or are considering legislation related to online advertising and management of P2EARN expects to see an increase in legislation and regulation related to advertising online, the use of geo-location data to inform advertising, the collection and use of anonymous internet user data and unique device identifiers, such as IP address or mobile unique device identifiers, and other data protection and privacy regulation. Such legislation could affect the costs of doing business online, and may adversely affect the demand for P2EARN's offerings or otherwise harm its business, results of operations and financial condition. For example, a wide variety of provincial, state, national and international laws and regulations apply to the collection, use, retention, protection, disclosure, transfer and other processing of personal information. The Personal Information Protection and Electronic Documents Act and substantially similar provincial privacy laws in Canada provide that IP addresses are personal information. Currently, P2EARN collects and stores IP addresses for fraud prevention purposes only and not for advertisement targeting purposes.

In addition, while P2EARN takes steps to avoid collecting personally identifiable data about consumers (other than IP addresses), it may inadvertently receive this information from advertisers or advertising agencies or through the process of delivering advertising and may inadvertently release this information in contravention of applicable privacy legislation. P2EARN's failure to comply with applicable laws and regulations, or to protect personal information, could result in enforcement action against P2EARN, including fines, imprisonment of its officers and public censure, claims for damages by consumers and other affected individuals, damage to the Company's reputation and loss of goodwill, any of which could have a material adverse impact on operations, financial performance and business. Even the perception of privacy concerns, whether or not valid, may harm P2EARN's reputation and inhibit adoption of its offerings by current and future advertisers and advertising agencies.

Ability to Protect P2EARN's Proprietary Offering

Any failure to protect P2EARN's proprietary Programmatic Marketing Platform could harm its business and competitive position. There can be no assurance that any steps P2EARN has taken or intends to take will be adequate to defend and prevent misappropriation of technology, including the possibility of reverse engineering and the possibility that potential competitors will independently develop technologies that are designed around and are substantially equivalent or superior to P2EARN's technology.

P2EARN may use a combination of trade secret, copyright law, nondisclosure agreements, passing-off laws, other common law intellectual property protections and technical measures to protect its proprietary technology. P2EARN has generally entered into confidentiality agreements with and obtains assignments of intellectual property and waivers of moral rights from its employees and contractors and has worked to limit access to and distribution of its technology, documentation and other proprietary information. However, the steps taken may not be adequate to deter misappropriation or independent third-party development of P2EARN's technology. In addition, the laws of some foreign countries do not protect proprietary technology rights to the same extent as do the laws of Canada and the United States. If P2EARN resorts to legal proceedings to enforce its intellectual property rights, the proceedings could be burdensome and expensive and could involve a high degree of risk to P2EARN's proprietary rights if it is unsuccessful in such proceedings. Moreover, P2EARN's financial resources may not be adequate to enforce or defend its rights in its technology. Additionally, any patents that P2EARN may apply for or obtain in the future may not be broad enough to protect all of the technology important to its business, and its ownership of patents would not in itself prevent others from securing patents that may prevent P2EARN from engaging in actions necessary to its business, products, or services.

Infringement of Intellectual Property Rights

If P2EARN's proprietary Programmatic Marketing Platform violates or is alleged to violate third party proprietary rights, P2EARN may be required to reengineer its technology or seek to obtain licenses from third parties to continue offering its technology without substantial reengineering. Any such efforts may not be successful or if successful could require payments that may have a material adverse effect on profitability and financial condition. Any litigation involving infringement claims would be expensive and time-consuming, and an adverse outcome may result in payment of damages or injunctive relief that could materially and adversely affect P2EARN's business.

P2EARN does not independently verify whether it is permitted to deliver advertising to its advertisers' internet users or that the content of the advertisements it delivers is legally permitted. P2EARN receives representations from advertisers that the content of the advertising that P2EARN places on their behalf is lawful. P2EARN also relies on representations from its advertisers that they maintain adequate privacy policies that allow P2EARN to place pixels on their websites and collect valid consents from users that visit those websites to collect and use such user's information to aid in delivering P2EARN's product. If any of these representations are untrue and P2EARN's advertisers do not abide by laws governing their content or privacy practices, P2EARN may become subject to legal claims and exposed to potential liability and expense (for which it may or may not be indemnified), and its reputation may be damaged.

Use of Open-Source Software Components

P2EARN's Programmatic Marketing Platform, including its computational infrastructure, relies on software licensed to it by third-party authors under "open source" licenses. The use of open-source software may entail greater risks than the use of third-party commercial software, as open-source licensors generally do not provide warranties or other contractual protections regarding infringement claims or the quality of the code. Some open-source licenses contain requirements that AQUA make available source code for modifications or derivative works P2EARN creates based upon the type of open-source software P2EARN uses. If P2EARN combines its proprietary software with open-source software in a certain manner, P2EARN could, under certain open-source licenses, be required to release the source code of its proprietary software to the public. This would allow P2EARN's competitors to create similar solutions with lower development effort and time and ultimately put P2EARN at a competitive disadvantage.

Although P2EARN monitors its use of open-source software to avoid subjecting its products to conditions it does not intend, the terms of many open-source licenses have not been interpreted by Canadian courts, and there is a risk that these licenses could be construed in a way that could impose unanticipated conditions or restrictions on P2EARN's ability to commercialize its services. Moreover, P2EARN cannot guarantee that its processes for controlling its use of open-source software will be effective. If P2EARN is held to have breached the terms of an open source software license, it could be required to seek licenses from third parties to continue operating its platform on terms that are not economically feasible, to re-engineer its platform or the supporting computational infrastructure to discontinue use of certain code, or to make generally available, in source code form, portions of its proprietary code, any of which could adversely affect P2EARN business, operating results and financial condition.

Unanticipated Problems Associated with the Programmatic Marketing Platform

P2EARN depends upon the sustained and uninterrupted performance of its platform to operate a number of campaigns at any given time; manage its inventory supply; bid on inventory for each campaign; serve or direct a third party to serve advertising; collect, process and interpret data; and optimize campaign performance in real time and provide billing information. Because P2EARN's technology is complex, undetected errors and failures may occur, especially when new versions or updates are made. P2EARN's Programmatic Marketing Platform may contain undetected errors or "bugs", which result in system failures, or failure to perform in accordance with industry or customer expectations. Despite P2EARN's plans for quality control and testing measures, its Programmatic Marketing Platform, including any enhancements, may contain such bugs or exhibit performance degradation, particularly during periods of rapid expansion. In such an event, P2EARN may be required or choose to expend additional resources to help mitigate any problems resulting from errors in its technology. Product or system performance problems could result in loss of or delay in revenue, loss of market share, failure to achieve market acceptance, adverse publicity, diversion of development resources and claims against P2EARN by its customers and other parties.

Mobile Advertising

P2EARN's success in the mobile advertising channel depends upon the ability of its Programmatic Marketing Platform to integrate with mobile inventory suppliers and provide advertising for most mobile connected devices, as well as the major operating systems that run on them and the thousands of applications that are downloaded onto them. The design of mobile devices and operating systems is controlled by third parties with whom P2EARN does not have any formal relationships. These parties frequently introduce new devices, and from time to time they may introduce new operating systems or modify existing ones. Network carriers may also impact the ability to access specified content on mobile devices. If P2EARN's platform is unable to work on these devices or operating systems, either because of technological constraints or because a maker of these devices or developer of these operating systems wished to impair P2EARN's ability to provide advertisements on them or P2EARN's ability to fulfill advertising space, or inventory, from developers whose applications are distributed through their controlled channels, P2EARN's ability to generate revenue could be significantly harmed.

Obsolescence

P2EARN's business is characterized by rapid technological change, frequent new product and service introductions and enhancements, uncertain product life cycles, changes in customer requirements, and evolving industry standards. The introduction of new products embodying new technologies, the emergence of new industry standards, or improvements to existing technologies could render P2EARN's platform obsolete or relatively less competitive. P2EARN's future success will depend upon its ability to continue to develop and expand its Programmatic Marketing Platform and to address the increasingly sophisticated needs of its customers. P2EARN may experience delays in releasing new offerings or enhancements in the future. Material delays in introducing new offerings or enhancements may cause customers to forego purchases of P2EARN's offering to purchase offerings of competitors instead.

Economic, Political and Market Conditions

P2EARN's business depends on the overall demand for advertising and on the economic health of its current and prospective advertisers. Economic downturns or instability in political or market conditions may cause current or new advertisers to reduce their advertising budgets. Adverse economic conditions and general uncertainty about continued economic recovery are likely to affect P2EARN's business prospects. This uncertainty may cause general business conditions in the United States and elsewhere to deteriorate or become volatile, which could cause advertisers to delay, decrease or cancel purchases of P2EARN's offering; and expose P2EARN to increased credit risk on advertiser orders, which, in turn, could negatively impact its business, financial condition and results of operations. In addition, continued geopolitical turmoil in many parts of the world have and may continue to put pressure on global economic conditions, which could lead to reduced spending on advertising.

Risks Related to the Common Shares

Market for Common Shares

There can be no assurance that an active trading market for the Common Shares will develop or, if developed, that any market will be sustained. Technology stocks have historically experienced high levels of volatility and P2EARN cannot predict the prices at which the Common Shares will trade. Fluctuations in the market price of the Common Shares could cause an investor to lose all or part of its investment in Common Shares. Factors that could cause fluctuations in the trading price of the Common Shares include (i) announcements of new offerings, products, services or technologies, commercial relationships, acquisitions or other events by P2EARN or its competitors; (ii) price and volume fluctuations in the overall stock market from time to time; (iii) significant volatility in the market price and trading volume of technology companies in general and of companies in the digital advertising industry in particular; (iv) fluctuations in the trading volume of the Common Shares or the size of P2EARN's public float; (v) actual or anticipated changes or fluctuations in P2EARN's results of operations; (vi) whether P2EARN's results of operations meet the expectations of securities analysts or investors; (vii) actual or anticipated changes in the expectations of investors or securities analysts; (viii) litigation involving P2EARN, its industry, or both; (ix) regulatory developments in the Canada, the United States, and foreign countries; (x) general economic conditions and trends; (xi) major catastrophic events; (xii) escrow releases, sales of large blocks of the Common Shares; (xiii) departures of key employees or members of management; or (xiv) an adverse impact on P2EARN from any of the other risks cited herein.

Substantial Control by Insiders

As at December 31, 2021, P2EARN's directors and executive officers, in the aggregate, beneficially own approximately 3.7% of the Common Shares. As a result, these insiders may be able to influence or control matters requiring approval by P2EARN's shareholders, including the election of Directors and the approval of mergers, acquisitions or other extraordinary transactions. They may also have interests that differ from those of investors and may vote in a manner that is adverse to investors' interests. This concentration of ownership may have the effect of deterring, delaying or preventing a change of control of P2EARN, could deprive P2EARN's shareholders of an opportunity to receive a premium for their Common Shares as part of a sale of P2EARN and might ultimately affect the market price of the Common Shares.

Significant Sales of Common Shares

Although the Company's Common Shares are freely tradable, the Common Shares held by P2EARN's directors and executive officers will be subject to escrow pursuant to the policies of the Exchange. Sales of a substantial number of the Common Shares in the public market after the expiry of lock-up or escrow restrictions, or the perception that these sales could occur, could adversely affect the market price of the Common Shares and may make it more difficult for investors to sell Common Shares at a favourable time and price.

Analyst Coverage

The trading market for the Common Shares will, to some extent, depend on the research and reports that securities or industry analysts publish about P2EARN or its business. P2EARN will not have any control over these analysts. If one or more of the analysts who covers P2EARN should downgrade the Common Shares or change their opinion of P2EARN's business prospects, P2EARN's share price would likely decline. If one or more of these analysts ceases coverage of P2EARN or fails to regularly publish reports on P2EARN, P2EARN could lose visibility in the financial markets, which could cause P2EARN's share price or trading volume to decline.

Tax Issues

There may be income tax consequences in relation to the Common Shares, which will vary according to circumstances of each investor. Prospective investors should seek independent advice from their own tax and legal advisers.

Fraud

P2EARN operates as a technology and services provider in a dynamic eco-system where fraud exists. Typical forms of fraud include robotic traffic, where robots mimic the behavior of users in order to inflate the number of impressions, clicks, post clicks actions or other metrics associated with the ad; ads that have no potential to be viewed by a human; and activities designed to trick mechanisms for user data collection or attribution models. P2EARN employs reasonable measures to detect and eliminate fraud to the best of its ability. However, despite its efforts, P2EARN is not in the fraud detection business and there are no guarantees as to the degree to which fraud can be minimized.

Publisher Protection

P2EARN offers managed media campaign services and licenses its technology to third parties who use it to carry out media buys. Despite P2EARN's efforts to protect its suppliers from unwanted buying activities and ads, misuse of the system by advertising parties cannot be ruled out.

Ad Blockers

Ad blockers represent an increased risk to the online advertising industry as a whole, as their use has lately risen. Ad blockers prevent ads from being displayed and can interfere with the collection and transmission of data required for the normal operation of the online advertising ecosystem, including user data, measurement and attribution. The industry is taking steps to combat ad blocking and tools have been created to detect ad blockers for use by publishers. These tools allow publishers who rely on ad revenue to withhold content from users with ad blockers. Additionally, in order to discourage the use of ad blockers, the industry is initiating a shift towards ads that are less disruptive to the user experience. Nevertheless, there are no guarantees that these measures will be sufficient to eliminate all ad blocking activities and that P2EARN will not experience loss of potential revenue as a result of ad blocking.