SEKUR PRIVATE DATA LTD.

MANAGEMENT'S DISCUSSION & ANALYSIS

FORM 51-102F1

FOR THE YEAR ENDED DECEMBER 31, 2024

INTRODUCTION

The following management discussion and analysis ("MD&A") of the financial condition and results of operations of Sekur Private Data Ltd. (the "Company") has been prepared by management, in accordance with the requirements of National Instrument of 51-102 as of April 17, 2025 and should be read in conjunction with the audited consolidated financial statements for the year ended December 31, 2024 and 2023 and the related notes contained therein which have been prepared under IFRS Accounting Standards ("IFRS"), and all other disclosure documents of the Company. The information contained herein is not a substitute for detailed investigation or analysis on any particular issue. The information provided in this document is not intended to be a comprehensive review of all matters and developments concerning the Company. Additional information relevant to the Company's activities can be found on SEDAR+ at www.sedarplus.ca and www.sekurprivatedata.com.

All financial information in this report has been prepared in accordance with IFRS and all monetary amounts referred to herein, are in Canadian dollars, unless otherwise stated.

FORWARD LOOKING INFORMATION

This MD&A contains "forward-looking statements". Forward-looking statements can be identified by words such as: "anticipate," "intend," "plan," "goal," "seek," "believe," "project," "estimate," "expect," "strategy," "future," "likely," "may," "should," "will" and similar references to future periods. Examples of forward-looking statements include, among others, statements regarding:

- Anticipated levels of expenditures for the next twelve months;
- Expectations of ongoing relationships with reseller and partners;
- Timing of completion of software integrations and updates;
- Management's belief that we have sufficient liquidity to fund the Company's business operations during the next twelve months; and
- Strategy for customer retention, growth, product development, market position, financial results and reserves.

Forward-looking statements are neither historical facts nor assurances of future performance. Instead, they are based only on management's current beliefs, expectations and assumptions regarding:

- the future of the Company's business;
- the success of marketing and sales efforts of the Company;
- the projections prepared in house and projections delivered by channel partners;
- the Company's ability to complete the necessary software updates;
- increases in sales as a result of investments software development technology;
- consumer interest in the Products;
- future sales plans and strategies;
- reliance on large channel partners and expectations of renewals to ongoing agreements with these partners;
- anticipated events and trends; and
- the economy and other future conditions;

Because forward-looking statements relate to the future, they are subject to inherent uncertainties, risks and changes in circumstances that are difficult to predict and many of which are outside of our control. The Company's actual results and financial condition may differ materially from those indicated in the forward-looking statements. Therefore, you should not rely on any of these forward-looking statements.

Important risk factors that could cause the Company's actual results and financial condition to differ materially from those indicated in the forward-looking statements include, among others, the following: speculative nature of investment risk; history of operating loss; going-concern risk; the Company's reliance on resellers and other distribution channels to sell its products; dependency on large channel partners; dependency on key personnel; dependency on third parties; software bugs; competition; security threats; research and development; commitments; obsolescence; growth; dilution; unissued share capital; liquidity and future financing risk; market risk for securities; and increased costs of being a publicly traded company. Actual results may vary from such forward-looking information for a variety of reasons, including but not limited to, risks and uncertainties disclosed in this MD&A. See "Risk Factors".

These forward-looking statements are made as of the date of this MD&A and are based on the reasonable beliefs, expectations and opinions of management on the date of this MD&A (or as of the date they are otherwise stated to be made). Although the Company has attempted to identify important factors that could cause actual results to differ materially from those contained in forward-looking statements, there may be other factors that cause results not to be as anticipated, estimated or intended. New factors emerge from time to time, and it is not possible for management to predict all of such factors and to assess in advance the impact of each such factor on the Company's business or the extent to which any factor, or combination of factors, may cause actual results to differ materially from those contained in any forward-looking statement. There is no assurance that such statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. We do not undertake to update or revise any forward-looking statements, except as, and to the extent required by, applicable securities laws in Canada.

Investors are cautioned against placing undue reliance on forward-looking statements.

DESCRIPTION OF BUSINESS

Sekur Private Data Ltd. was incorporated under the Business Corporations Act (British Columbia) on March 1, 2017. During the year ended December 31, 2019, the Company completed its initial public offering ("IPO"). The Company's common shares and tradeable warrants were listed on the Canadian Securities Exchange ("CSE") effective July 22, 2019 under the symbols "SWIS" and "SWIS.WT", respectively. In November 2019, the Company's common shares began trading on the OTCQB Venture Market with the trading symbol SWISF and in January 2021, the Company's common shares began trading on the Frankfurt Stock Exchange (Deutsche Boerse AG) under WKN: A2PN34 and the symbol GDT0. On April 14, 2022, the Company changed its name to Sekur Private Data Ltd. and the Company's common shares and tradable warrants were listed on the Canadian Securities Exchange under the new symbols "SKUR" and "SKUR.WT", respectively.

The Company's head office and principal address is located at First Canadian Place, 100 King Street West, Suite 5600, Toronto, ON, Canada, M5X 1C9 and the registered and records office is located at 595 Howe Street, Suite 704, Vancouver, BC, Canada, V6C 2T5.

Sekur Private Data Ltd. is a Cybersecurity and Internet Privacy provider of Swiss hosted solutions for secure communications and secure data management. The Company distributes a suite of encrypted e-mails, secure messaging and secure communication, and a suite of cloud-based storage, disaster recovery and document management, tools. Sekur Private Data Ltd. sells its solutions through its websites sekur.com and sekursuite.com, and through its approved distributors, and telecommunications companies worldwide. Sekur Private Data Ltd. serves consumers, businesses and governments worldwide.

On April 3, 2017, the Company (as licensee) entered into the *GlobeX Data SA Secure Cloud Services Licensee License Agreement and Program* (the "Reseller Agreement") with GlobeX Data S.A. ("GDSA"), whereby GDSA granted to the Company an exclusive, non-transferrable license to resell the Plan Offerings (as defined) to prospects in the United States and Canada for a perpetual term unless terminated by GDSA. Pursuant to the Reseller Agreement, the Company markets the Plan Offerings to prospects or customers (the "End User") and the End User subscribes to the Plan Offerings by entering into an end user license agreement (the "EULA") with GDSA by signing a contract with the Company. Acceptance of a prospect or customer as an End User is at the sole discretion of GDSA, with GDSA having the right to terminate an EULA. The Company has the absolute right to accept any End User and, if it does, it also assumes the liability of acceptance of the End User. GDSA charges the End User a service fee for the Plan Offerings, with payment received by GDSA being remitted to the Company. The Company also has the option of collecting funds directly from the End User. Gross service fee revenue is split between GDSA (10%, being the royalty fee) and the Company (90%). The Reseller Agreement can be terminated by GDSA at any time if the Company fails to cure a breach of any part of the Reseller Agreement within 30 days of receiving written notice of the breach.

On May 7, 2017, the Company (as licensee) entered into the *GlobeX Data Secure Cloud Services Licensee Agreement and Program* ("Reseller Agreement 2") with GDSA, a Swiss corporation with a common director, whereby GDSA granted to the Company an exclusive, transferrable license to resell the Plan Offerings (as defined) to prospects in all countries except Switzerland, Lichtenstein, the Principality of Monte Carlo, the Vatican City State, Canada and the United States for a perpetual term unless terminated by GDSA. The terms and conditions of Reseller Agreement 2 are the same as for the Reseller Agreement as described below, except that the Company has 90 days to cure a breach of any part of Reseller Agreement 2. On March 30, 2018, the Company acquired all of the issued and outstanding shares of Sekur Private Data Inc. (formerly GlobeX Data Inc.) ("SDI"). As consideration for the acquisition, the Company issued 25 million common shares to SDI, with the license agreement held by SDI being assigned a fair value of $2,552,573.

Since 2014, the Company, through SDI, primarily marketed the products to end users in North America. In 2017, the Company shifted to a global distribution model targeting established services providers with large customer bases ("Channel Partners"). These Channel Partners offer the Products to their existing consumer base as an add on to the consumers' existing subscriptions.

SIGNIFICANT EVENTS FOR THE CURRENT FISCAL YEAR TO THE DATE OF THIS REPORT

During the year ended December 31, 2024, the Company completed the first tranche of a financing by issuing 28,290,116 units at $0.034 per unit for proceeds of $961,864. Each unit consists of one common share and one share purchase warrant exercisable at $0.055 for a period of two years from the date of issuance.

During the year ended December 31, 2024, the Company completed the second tranche of a financing by issuing 12,752,617 units at $0.034 per unit for proceeds of $433,589. Each unit consists of one common share and one share purchase warrant exercisable at $0.055 for a period of two years from the date of issuance.

In March 2025, the company completed the third and final tranche of a financing by issuing 6,973,705 units at $0.034 per unit for proceeds of $237,106. Each unit consists of one common share and one share purchase warrant exercisable at $0.055 for a period of two years from the date of issuance. The Company issued 200,000 broker warrants under the same terms as share issuance costs in relation to the financing.

In March 2025, the Company issued 1,571,428 common shares at a fair value of $55,000 for marketing services and issued 700,000 common shares at a fair value of $24,500 for settlement of a marketing agreement.

In May 2024, the Company signed a Letter of Intent, marking its strategic expansion into the Telecom and Fintech markets. Sekur has signed an agreement for the intended contribution of a Mobile Virtual Network Operator ("MVNO") telecommunications company, accompanied by a US$500,000 cash infusion into Sekur Private Data, Ltd., by Cuentas, Inc. (OTC Pink: CUEN) (OTC Pink: CUENW) ("CUEN"). In September 2024, the Company terminated the Letter of Intent.

RESULTS OF OPERATIONS

For the year ended December 31, 2024 and 2023

Revenues

The Company reported revenues of $477,702 during the year ended December 31, 2024 compared to revenues of $543,182 during the year ended December 31, 2023. The Company does not have any cost of sales associated with its revenues as their sales are from direct website purchases or the sales are provided net of any agreements with channel partners as the customers purchase the services from the channel partner.

Expenses

The net loss for the year ended December 31, 2024 was $1,967,131 as compared to a net loss of $4,754,103 for the year ended December 31, 2023. Significant variances include:

Marketing for the year ended December 31, 2024 was $710,004 compared to $2,038,797 for the year ended December 31, 2023. The Company reduced its marketing campaign in the current year.

Director's fees for the year ended December 31, 2024 was $60,000 compared to $347,757 for the year ended December 31, 2023. During the current year the Company paid $60,000 in director's fees to an officer of the Company. During the previous year the Company granted stock options to directors calculated using the Black-Scholes option pricing model.

Data center and hardware maintenance for the year ended December 31, 2024 was $375,000 compared to $820,000 for the year ended December 31, 2023 and *Research, development and software maintenance* for the year ended December 31, 2024 was $778,359 compared to $908,279 for the year ended December 31, 2023. These costs relate to invoiced amounts from GDSA and third parties for equipment depreciation, software maintenance, new features implementations and improvements, and integration costs and varies period to period.

For the three months ended December 31, 2024 and 2023

Revenues

The Company reported revenues of $82,848 during the three months ended December 31, 2024 compared to revenues of $156,006 during the three months ended December 31, 2023. The Company does not have any cost of sales associated with its revenues as their sales are from direct website purchases or the sales are provided net of any agreements with channel partners as the customers purchase the services from the channel partner.

Expenses

The net loss for the three months ended December 31, 2024 was $721,416 as compared to a net loss of $663,649 for the three months ended December 31, 2023. Significant variances include:

Marketing for the three months ended December 31, 2024 was $243,914 compared to $60,686 for the three months ended December 31, 2023. The Company increased its marketing campaign in the current period.

Data centre and hardware maintenance for the three months ended December 31, 2024 was $120,000 compared to $270,000 for the three months ended December 31, 2023 and *Research, development and software maintenance* for the three months ended December 31, 2024 was $224,802 compared to $279,277 for the three months ended December 31, 2023. These costs relate to invoiced amounts from GDSA and third parties for software maintenance, new features implementations and improvements, and integration costs and varies period to period.

SELECTED ANNUAL INFORMATION

	For the years ended		
	December 31, 2024	**December 31, 2023**	**December 31, 2022**
		$	**$**
Revenue	477,702	543,182	426,782
Net loss	(1,967,131)	(4,754,103)	(9,082,346)
Basic (loss) per share	(0.01)	(0.04)	(0.08)
Total assets	1,152,928	1,553,248	5,005,209
Working capital	332,308	603,919	3,849,498

SUMMARY OF SELECTED HIGHLIGHTS FOR THE LAST EIGHT QUARTERS

Description	December 31, 2024	September 30, 2024	June 30, 2024	March 31, 2024
Net loss	(721,416)	(430,622)	(487,768)	(327,325)
Basic loss per share	(0.00)	(0.00)	(0.00)	(0.00)
Description	December 31, 2023	September 30, 2023	June 30, 2023	March 31, 2023
Net loss	(663,649)	(1,942,555)	(730,574)	(1,237,325)
Basic loss per share	(0.01)	(0.02)	(0.01)	(0.01)

During the three months ended September 30, 2023 the Company recorded marketing expenses of $1,095,054.

During the three months ended March 31, 2023 the Company recorded marketing expenses of $588,263 and director's fees of $347,757.

LIQUIDITY AND SOLVENCY

At December 31, 2024, the Company had working capital of $332,308 and cash and cash equivalents of $716,746.

During the year ended December 31, 2024, the Company issued 200,000 units at $0.07 per unit for proceeds of $14,000. Each unit consists of one common share and one share purchase warrant exercisable at $0.12 for a period of three years from the date of issuance.

During the year ended December 31, 2024, the Company completed the first tranche of a financing by issuing 28,290,116 units at $0.034 per unit for proceeds of $961,864. Each unit consists of one common share and one share purchase warrant exercisable at $0.055 for a period of two years from the date of issuance.

During the year ended December 31, 2024, the Company completed the second tranche of a financing by issuing 12,752,617 units at $0.034 per unit for proceeds of $433,589. Each unit consists of one common share and one share purchase warrant exercisable at $0.055 for a period of two years from the date of issuance.

In March 2025, the Company completed the third and final tranche of a financing by issuing 6,973,705 units at $0.034 per unit for proceeds of $237,106. Each unit consists of one common share and one share purchase warrant exercisable at $0.055 for a period of two years from the date of issuance. The Company issued 200,000 broker warrants under the same terms as share issuance costs in relation to the financing.

In March 2025, the Company issued 1,571,428 common shares at a fair value of $55,000 for marketing services and issued 700,000 common shares at a fair value of $24,500 for settlement of a marketing agreement.

Cash used in by operating activities

Net cash flows used in operating activities for the year ended December 31, 2024 were $1,674,105 compared with cash used of $3,141,003 in prior year. The change was the cumulative result of several variations in the items affecting cash flow from operations as discussed above under "Results from Operations".

Cash provided by financing activities

Net cash provided by financing activities for the year ended December 31, 2024 was $1,476,529 compared to $50,000 in the prior year. The activity from the current period relates to common shares issued and shares subscribed.

The Company's future capital requirements will depend upon many factors including, without limitation, the success of its marketing and distribution channels. The Company has limited capital resources and has to rely upon the sale of equity securities for cash required for marketing the products, paying for software maintenance and development, and to fund the administration of the Company. Since the Company does not expect to generate any substantial revenues from operations in the immediate future, it must continue to rely upon the sales of its equity and debt securities to raise capital, which would result in further dilution to the shareholders. There is no assurance that financing, whether debt or equity, will be available to the Company in the amount required by the Company at any particular time or for any period and that such financing can be obtained on terms satisfactory to the Company or at all. See "Risk Factors".

OFF-BALANCE SHEET ARANGEMENTS

The Company does not have any off-balance sheet arrangements that have, or are reasonably likely to have, an effect on the results of operations or financial condition of the Company.

OUTSTANDING SHARES, STOCK OPTIONS, AND WARRANTS

As at the date of this report, the Company had the following outstanding:

- 170,120,807 common shares.
- Stock options

Number of Options	Exercise Price ($)	Expiry Date
3,000,000	0.20	August 30, 2026
8,166,272	0.06	January 13, 2033
11,166,272		

- Warrants

Number of Warrants	Exercise Price ($)	Expiry Date
28,290,116	0.055	September 12, 2026
1,065,000	0.055	October 15, 2026
11,687,617	0.055	November 28, 2026
200,000	0.12	May 22, 2027
2,200,000	0.055	March 7, 2027
4,973,705	0.005	March 31, 2027
48,416,438		

RELATED PARTY TRANSACTIONS

Related party transactions were in the normal course of operations and measured at the exchange amount, which is the amount established and agreed to by the related parties. Key management personnel are the persons responsible for planning, directing and controlling the activities of the Company, and include both executive and non-executive directors, and entities controlled by such persons. The Company considers all directors and officers of the Company to be key management personnel.

During the year ended December 31, 2024, the Company incurred $60,000 (2023 – $nil) in director's fees to the director and chief executive officer of the Company.

During the year ended December 31, 2024, the Company incurred $41,580 (2023 - $43,940) in accounting fees and corporate services to an accounting firm in which an officer of the Company is a partner. As at December 31, 2024, there was $29,337 (2023 - $4,285) owing to this firm, included in accounts payable and accrued liabilities. This balance is unsecured, non-interest bearing and has no fixed terms of repayment.

During the year ended December 31, 2024, the Company granted nil (2023 – 7,821,272) stock options with a fair value of $nil (2023 - $407,703) to directors and officers of the Company of which $nil (2023 - $59,946) was recorded to accounting expense and $nil (2023 - $347,757) was recorded to director's fees.

During the year ended December 31, 2024, the Company paid or accrued data center and hardware maintenance fees of $375,000 (2023 - $820,000) and royalty fees of $46,031 (2023 - $51,897) to GDSA, a company with common directors.

MATERIAL ACCOUNTING INFORMATION

Please refer to the December 31, 2024, audited consolidated financial statements on www.sedarplus.ca.

FINANCIAL INSTRUMENTS

Please refer to the December 31, 2024, audited consolidated financial statements on www.sedarplus.ca.

PROPOSED TRANSACTIONS

There are no proposed transactions that have not been disclosed herein.

CRITICAL ACCOUNTING ESTIMATES

The preparation of financial statements in accordance with IFRS requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual reports could differ from management's estimates.

INTERNAL CONTROLS OVER FINANCIAL REPORTING

Changes in Internal Control over Financial Reporting ("ICFR")

In connection with National Instrument 52-109, Certification of Disclosure in Issuer's Annual and Interim Filings ("NI 52-109") adopted in December 2008 by each of the securities commissions across Canada, the Chief Executive Officer and Chief Financial Officer of the Company will file a Venture Issuer Basic Certificate with respect to financial information contained in the unaudited interim consolidated financial statements and the audited annual consolidated financial statements and respective accompanying Management's Discussion and Analysis. The Venture Issue Basic Certification does not include representations relating to the establishment and maintenance of disclosure controls and procedures and internal control over financial reporting, as defined in NI52-109.

MANAGEMENT'S RESPONSIBILITY OF FINANCIAL STATEMENTS

The information provided in this report, including the financial statements, is the responsibility of management. In the preparation of these statements, estimates are sometimes necessary to make a determination of future values for certain assets or liabilities. Management believes such estimates have been based on careful judgments and have been properly reflected in the financial statements.

OTHER MD&A REQUIREMENTS

Additional disclosure of the Company's technical reports, material change reports, news releases and other information can be obtained on SEDAR+ at www.sedarplus.ca.

RISK FACTORS AND UNCERTAINTIES

An investment in the Company is speculative and involves a high degree of risk. Accordingly, prospective investors should carefully consider the specific risk factors set out below, in addition to the other information contained in this MD&A, before making any decision to invest in the Company. The Directors consider the following risks and other factors to be the most significant for potential investors in the Company, but the risks listed do not necessarily comprise all those associated with an investment in the Company and are not set out in any particular order of priority. Additional risks and uncertainties not currently known to the Directors may also have an adverse effect on the Company's business.

If any of the following risks actually occur, the Company's business, financial condition, capital resources, results or future operations could be materially adversely affected. In such a case, the price of the common shares could decline, and investors may lose all or part of their investment.

Speculative Nature of Investment Risk

An investment in the common shares of the Company carries a high degree of risk and should be considered as a speculative investment by purchasers. The Company has a limited history of earnings, limited cash reserves, a limited operating history, has not paid dividends, and is unlikely to pay dividends in the immediate or near future. The Company is in the development and early commercialization stage. Operations are not yet sufficiently established such that the Company can mitigate the risks associated with planned activities.

Negative Cash Flow from Operating Activities

The Company has had negative cash flow from operating activities since inception. Significant capital investment will be required to achieve the Company's existing plans. There is no assurance that the Company's business will generate earnings, operate profitably or provide a return on investment in the near future. Accordingly, the Company may be required to obtain additional financing in order to meet its future cash commitments.

History of Operating Losses

The Company has a history of operating losses and may not sustain profitability. The Company cannot guarantee investors that it will become profitable, and even if the Company achieves profitability, given the competitive and evolving nature of industry in which it operates, the Company may not be able to sustain or increase profitability and its failure to do so could adversely affect its business, including its ability to raise additional funds.

Going-Concern Risk

Our continued operation as a going concern is dependent upon our ability to generate positive cash flows and/or obtain additional financing sufficient to fund continuing activities and acquisitions. While we continue to review our operations in order to identify strategies and tactics to increase revenue streams and financing opportunities, there is no assurance that we will be successful in such efforts; if we are not successful, we may be required to significantly reduce or limit operations, or no longer operate as a going concern. It is also possible that operating expenses could increase in order to grow the business. If we do not start generating and significantly increase revenues to meet these increased operating expenses and/or obtain financing until our revenues meet these operating expenses, our business, financial condition and operating results could be materially adversely affected. We cannot be sure when or if we will ever achieve profitability and, if we do, we may not be able to sustain or increase that profitability.

Dependency on Key Personnel

Alain Mehdi Ghiai-Chamlou, the Company's Chief Executive Officer and Director, exercises significant control over the day to day affairs of the Company. The Company depends on Mr. Ghiai-Chamlou to engage with third parties and contractors to operate the business. If Mr. Ghiai-Chamlou were to leave the Company or were otherwise unable to perform his duties, the Company's business may fail and shareholders may lose their investment.

Dependency on Third Parties

The Company is dependent on GDSA to help develop new Products and maintain the hardware equipment in the data centers. As a result, the Company has limitations on its ability to implement any changes to the Products. If GDSA were to fundamentally change the Products or halt development, the business of the Company would be negatively affected. A failure or disruption in these services could materially and adversely affect the Company's ability to manage it business effectively.

The Company relies on third parties for certain essential financial and operational services. Traditionally, the vast majority of these services have been provided by large enterprise software vendors who license their software to customers. However, the Company receives many of these services on a subscription basis from various software-as-a-service companies that are smaller and have shorter operating histories than traditional software vendors. We depend upon these vendors to provide us with services that are always available and are free of errors or defects that could cause disruptions in our business processes, and any failure by these vendors to do so, or any disruptions in networks or the availability of the internet, would adversely affect the Company's ability to operate and manage its operations.

Defective Software

The Products may contain undetected errors, defects or bugs. Further, the Products may have errors, defects or bugs that result from upgrades and updates to the Products or updates and upgrades to third party software providers or operating systems. Although the Company has not suffered significant harm from any errors, defects or bugs to date, the Company may discover significant errors, defects or bugs in the future that it may not be able to correct or correct in a timely manner. It is possible that errors, defects or bugs will be found in the Company's software products and related services with the possible results of delays in, or loss of market acceptance of, the Company's products and services, diversion of its resources, injury to its reputation, increased service and warranty expenses and payment of damages.

Intense Competition

The market for cloud content management services is fragmented, rapidly evolving and highly competitive, with relatively low barriers to entry for certain applications and services. Many of the Company's competitors and potential competitors are larger and have greater name recognition, substantially longer operating histories, larger marketing budgets and significantly greater resources than the Company. Our competitors include, but are not limited to, Microsoft, Google, Amazon and Dropbox. With the introduction of new technologies and market entrants, it is expected that competition will continue to intensify in the future. In addition, pricing pressures and increased competition generally could result in reduced sales, lower margins, losses or the failure of our services to achieve or maintain widespread market acceptance, any of which could harm the Company's business.

Many of the Company's competitors can devote greater resources to the development, promotion and sale of their products or services. In addition, many of our competitors have set up marketing relationships and major distribution agreements with channel partners, consultants, system integrators and resellers. Moreover, many software vendors could bundle products or offer them at lower prices as part of a broader product sale or enterprise license arrangement. Some competitors may offer products or services that address one or several business execution functions at lower prices or with greater depth than the Company's services. As a result, competitors may be able to respond more quickly and effectively to new or changing opportunities, technologies, standards or customer requirements.

Furthermore, some potential customers, particularly large enterprises, may choose to develop their own internal solutions. For any of these reasons, the Company may not be able to compete successfully against our current and future competitors.

Security Threats

The Products involve the storage of large amounts of our customers' sensitive and proprietary information across a broad industry spectrum. Cyber attacks and other malicious internet-based activity continue to increase in frequency and in magnitude generally, and cloud-based content collaboration services have been targeted in the past. These increasing threats are being driven by a variety of sources including nation-state sponsored espionage and hacking activities, industrial espionage, organized crime and hacking groups and individuals. As the Products become more widely known and recognized and used in more heavily regulated industries such as healthcare, government, life sciences, and financial services where there may be a greater concentration of sensitive and protected data, the Company may become more of a target for these malicious third parties.

If an actual or perceived security breach occurs, the market perception of the effectiveness of the Company's security measures could be harmed, the Company could be subject to indemnity or damage claims in certain customer contracts, and the Company could lose future sales and customers, any of which could harm its business and operating results.

Research and Market Development

Although the Company is committed to researching and developing new markets and products and improving existing products, there can be no assurances that such research and market development activities will prove profitable or that the resulting markets and/or products, if any, will be commercially viable or successfully produced and marketed.

Commitments

The Company provides service level commitments under its service agreements. Failure meet these contractual commitments could obligate the Company to provide credits or refunds for prepaid amounts related to unused subscription services or face subscription terminations, which could adversely affect our revenue. Furthermore, any failure in our delivery of high-quality customer support services may adversely affect our relationships with our customers and our financial results.

Obsolescence

Maintaining a competitive position requires constant growth, development and strategic marketing and planning. If the Company is unable to maintain a technological advantage, the Issuer's ability to grow its business will be adversely affected and its products may become obsolete compared with other technologies.

Growth

The Company expects to expand its operations by increasing its sales and marketing efforts, research and development activities, and escalating its services. The anticipated growth could place a significant strain on its management, and operational and financial resources. Effective management of the anticipated growth shall require expanding its management and financial controls, hiring additional appropriate personnel as required, and developing additional expertise by existing management personnel. However, there can be no assurances that these or other measures it may implement shall effectively increase its capabilities to manage such anticipated growth or to do so in a timely and cost-effective manner. Moreover, management of growth is especially challenging for a company with a short revenue generating history and limited financial resources, and the failure to effectively manage growth could have a material adverse effect on its operations.

Substantial Number of Authorized but Unissued Shares

The Company has an unlimited number of Common Shares that may be issued by the Board of Directors without further action or approval of the Company's shareholders. While the Board of Directors is required to fulfill its fiduciary obligations in connection with the issuance of such shares, the shares may be issued in transactions with which not all shareholders agree, and the issuance of such shares will cause dilution to the ownership interests of the Company's shareholders.

Dilution

The financial risk of the Company's future activities will be borne to a significant degree by purchasers of the common shares. If the Company issues common shares from its treasury for financing purposes, control of the Company may change and purchasers may suffer additional dilution.

Liquidity and Future Financing Risk

The Company is in their development stage and has not generated a significant amount of revenue. The Company is likely to operate at a loss until business becomes established and the Company may require additional financing in order to fund future operations and expansion plans, including developing new products, enhancing existing products, enhancing operating infrastructure and acquiring further licenses. The Company's ability to secure required financing to sustain operations will depend upon prevailing capital market conditions, as well as business success. There can be no assurance that the Company will be successful in its efforts to secure any additional financing or additional financing on terms satisfactory to management. If additional financing is raised by issuing common shares in authorized capital, control may change, and shareholders may suffer additional dilution.

Current Market Volatility

The securities markets in Canada and the United States have recently experienced a high level of price and volume volatility, and the market prices of securities of many companies have experienced wide fluctuations in price which have not necessarily been related to the operating performance, underlying asset values or prospects of such companies. There can be no assurance that continual fluctuations in price will not occur. It may be anticipated that any market for the common shares will be subject to market trends generally, notwithstanding any potential success of the Company.

General

Although management believes that the above risks fairly and comprehensibly illustrate all material risks facing the Company, the risks noted above do not necessarily comprise all those potentially faced by the Company as it is impossible to foresee all possible risks.

Although the Directors will seek to minimise the impact of the risk factors, an investment in the Company should only be made by investors able to sustain a total loss of their investment. Investors are strongly recommended to consult a person who specialises in investments of this nature before making any decision to invest.

Any forward-looking information in this MD&A is based on the conclusions of management. The Company cautions that due to risks and uncertainties, actual events may differ materially from current expectations. With respect to the Company's operations, actual events may differ from current expectations due to economic conditions, new opportunities, changing budget priorities of the Company and other factors.