WIKILEAF

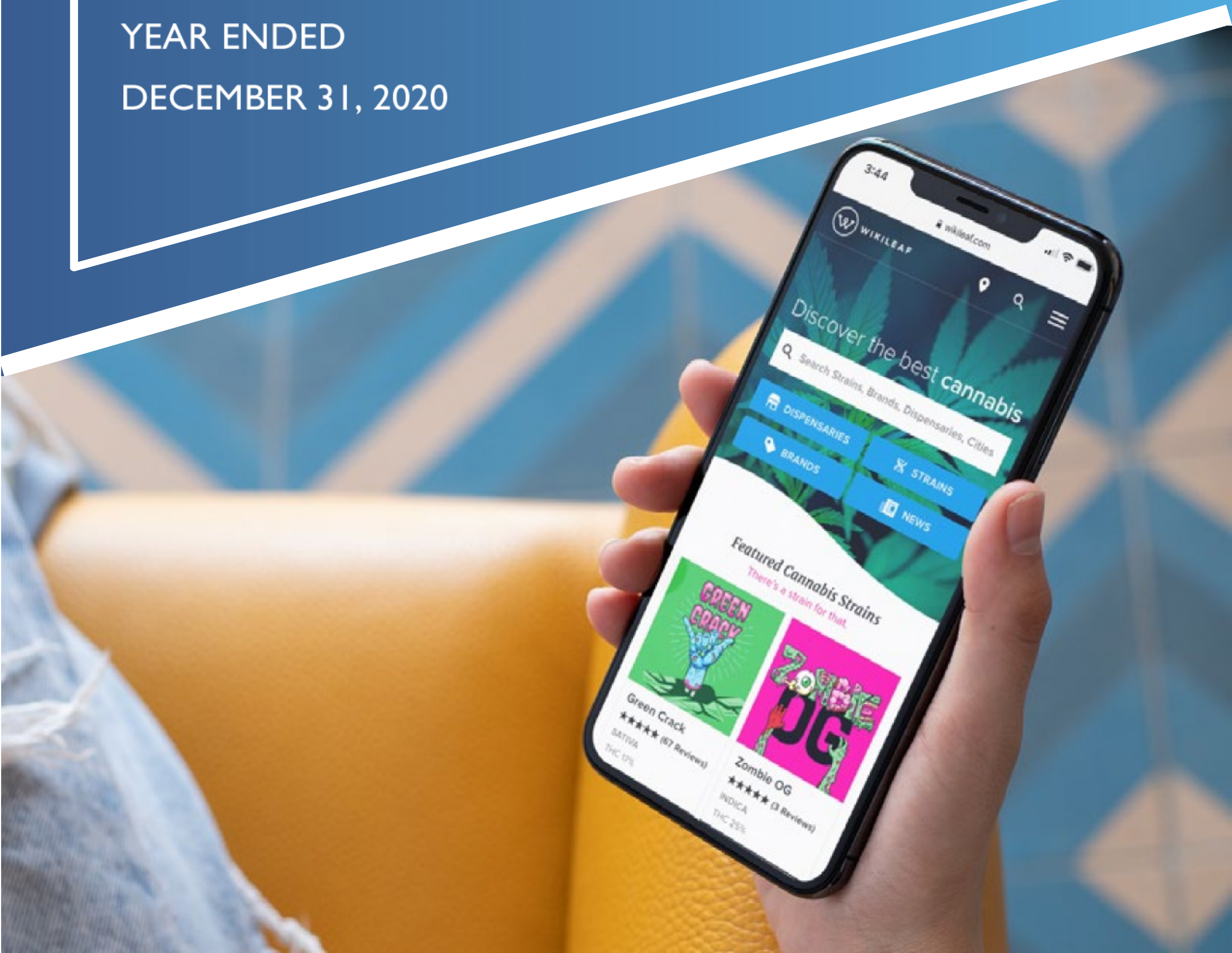
WIKILEAF TECHNOLOGIES INC.

MANAGEMENT DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS (“MD&A”)

FOR THE THREE MONTHS AND

YEAR ENDED

DECEMBER 31, 2020



WIKILEAF

Management Discussion and Analysis

The following management discussion and analysis ("**MD&A**") of the results of the operations and financial position of Wikileaf Technologies Inc. (the **"Company", "we", "us", "our"**) prepared for the year ended December 31, 2020, should be read in conjunction with the Company's audited consolidated financial statements for the year ended December 31, 2020, and 2019. All figures contained in this MD&A are presented in Canadian dollars. This MD&A contains information up to and including April 26, 2021.

Forward-Looking Statements

Certain statements contained in this MD&A may constitute forward-looking statements. These statements relate to future events or the Company's future performance. All statements, other than statements of historical fact, may be forward-looking statements. The MD&A includes forward-looking information with respect to our Wikileaf brand and its ability to capitalize on compelling opportunities in the future.

Forward-looking statements are often, but not always, identified using words such as "seek", "anticipate", "plan", "continue", "estimate", "expect", "may", "will", "project", "predict", "propose", "potential", "targeting", "intend", "could", "might", "should", "believe" and similar expressions. These statements involve known and unknown risks, uncertainties and other factors that may cause actual results or events to differ materially from those anticipated in such forward-looking statements. The Company believes that the expectations reflected in those forward-looking statements are reasonable, but no assurance can be given that these expectations will prove to be correct and such forward-looking statements included in this MD&A should not be unduly relied upon by investors as actual results may vary. These statements speak only as of the date of this MD&A and are expressly qualified, in their entirety, by this cautionary statement. The Company's actual results could differ materially from those anticipated in these forward-looking statements because of various risk factors, including, but not limited to:

- assumptions about the ability of the Company to raise necessary capital for its existing operations and expansion plans,
- the ability of the Company to retain key management personnel,
- assumptions related to our ability to attract and retain advertisers
- the ability of the Company to continue to increase organic user traffic on the Platform which in turn attracts dispensary and brand advertisers.

Canadian Companies with US Marijuana-Related Assets

On February 8, 2018, the Canadian Securities Administrators published Staff Notice 51-352 (Revised) *Issuers with US Marijuana-Related Activities* (the “Staff Notice”), which provides specific disclosure expectations for issuers that currently have, or are in the process of developing, cannabis-related activities in the US as permitted within a particular state’s regulatory framework. All issuers with US cannabis-related activities are expected to disclose certain prescribed information clearly and prominently in required disclosure documents.

Such disclosure includes, but is not limited to, (i) a description of the nature of a reporting issuer’s involvement in the US marijuana industry; (ii) disclosure that marijuana is illegal under US federal law and that enforcement of relevant laws is a significant risk; (iii) related risks including, among others, the risk that third party service providers could suspend or withdraw services and the risk that regulatory bodies could impose certain restrictions on the issuer’s ability to operate in the US; and (iv) a discussion of the reporting issuer’s ability to access public and private capital, including which financing options are and are not available to support continuing operations. Additional disclosuresare required to the extent a reporting issuer is deemed to be directly or indirectly engagedin the US marijuana industry, or deemed to have “ancillary industry involvement”, all as further described in the Staff Notice. At this time, the Company’s involvement in the US cannabis industry is limited and its industry involvement of cannabis activities is “Ancillary” through direct control of a website that provides services to third parties who are involved in the US marijuana industry. In addition, the Company does not operate, nor control any subsidiary that is directly engaged in the cultivation or distribution of marijuana in accordance with any US state license. As a result of the Company having cannabis-related operations in the US, the Company is subject to the requirements of theStaff Notice and accordingly provides the following disclosures:

<u>Compliance with Applicable State Laws in the US</u>

The Company has not obtained legal advice regarding compliance with applicable state regulatory frameworks and exposure and implication arising from US federal laws in the states where it conducts operations. To the best of the Company’s knowledge, the Company is not aware of any non-compliance with applicable licensing requirements and the regulatory framework enacted by the applicable US state. The Company is not aware of: (i) any noncompliance with respect to marijuana-related activities, or (ii) any notices of violation with respect to its marijuana-related activities by its respective regulatory authorities.

Operational Overview

The Company

Overview

Wikileaf Technologies Inc. ("Wikileaf" or the "Company") is the owner and operator of wikileaf.com, an online digital Platform for cannabis enthusiasts to discover engaging and educational content, strain and product information and analytical tools allowing them to make informed purchasing decisions.

Wikileaf has created a data-generating advertisement inventory within an ecosystem of original content comprised of our online publication ("The Stash"), videos, podcasts, and repurposed shareable media across all social Platforms.

Each day, tens of thousands of cannabis consumers use the Wikileaf website to find and interact with local dispensaries and brands to learn about and find the best prices for their desired cannabis strains and products. Dispensaries and cannabis brands in turn use our free digital listing services to engage with consumers as an additional point of consumer engagement. Our active database includes thousands of licensed cannabis dispensaries and brands thereby attracting a vibrant community of cannabis users seeking information on pricing, strains, products, and industry participants.

Our strain library makes it easy for users to find, review and read about thousands of cannabis strains; includes concise cannabis strain and use information in an app icon format that is easy to read. Users can then immediately locate the retailer offering the strain and the prices they are selling it for. Our dispensary finder shows all licensed dispensaries and deliveries in a users' immediate vicinity, with real-time pricing and inventories based on the search query.

The Market Opportunity

- **Cannabis Consumers:** are limited in identifying accurate and engaging information with respect to cannabis, products, and reputable industry participants within their vicinity.
- **Dispensaries and Brands:** are challenged to properly advertise their cannabis-based products, identify new customers, and measure the effectiveness of their marketing efforts.

Our Value Proposition

We believe cannabis consumers research strain and product pricing when they intend to buy. Wikileaf puts dispensaries and brands in front of cannabis shoppers with immediate purchase intent.

Value Proposition for Users

- **Content**: Providing engaging content for users, members, and customers,

- **Educational Tools**: Wikileaf has over **600,000** listed strains and products priced, more than **8,200** dispensaries and **2,700** brand profiles and thousands of customer reviews and pieces of content available to users to browse for free.[1]

- **Price Transparency**: The customer specifies a desired strain or product and instantly views multiple price quotes from dispensaries located nearby.

Value Proposition for Advertisers

- **Large Audience**: Wikileaf has over 1 million organic visits per month with approximately 98% of U.S. visits originating from legalized U.S. jurisdictions.[2]

- **Location-target advertising**: Dispensaries can understand the customer tastes based on their location-target advertising directly to cannabis users located nearby with digital advertising and tools.

With millions of inquiries on the Platform that are tied to specific geographical locations, Wikileaf endeavours to be able to provide an understanding of local customer behavioural trends and user psychographics to individual dispensaries and brands that will help inform their inventory purchasing, product stocking and strain cultivation decisions. We intend to derive our revenue through brand advertising, data licensing and E-Commerce functionality from our prospective customers, who range from cannabis consumers to dispensaries, national cannabis brands, product manufacturers and licensed cannabis producers.

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(1) Source: Internal data at December 31, 2020

(2) Source: Google Analytics, Internal data at December 31, 2020

Our revenue will be driven primarily by the number and types of our services to which our paying customers purchase. Fiscal year 2021 plans include increasing our focus on monetization and increasing traffic through implementation of a Wikileaf Member Rewards Program, expanding our recently launched online retail operations which includes the launching of white labelled product offerings.

Since inception, the Company has incurred operating losses. As at December 31, 2020, the Company has an accumulated deficit of $19,825,398. The Company has not yet completed its efforts to establish a stabilized source of revenue sufficient to cover operating expenses and relies on support from its shareholders to cover such expenses.

The Company is actively seeking to secure additional funding through equity-based financing, debt financing or through other arrangements; however, there is no assurance that the Company will be successful in this or any of its endeavours or become financially viable and continue as a going concern. Consequently, these material uncertainties raise significant doubt regarding the Company's ability to continue as a going concern.

Highlights

Company Restructuring

During the year ended December 31, 2020, our board implemented an organizational and strategic review to identify opportunities for monetization and to streamline the Company’s cost structure. The objective of this initiative was to build sustainable value within changing market conditions and to significantly reduce operating costs. This restructuring exercise resulted in the downsizing of the Seattle and Ottawa offices which including termination of month-to-month office leases in both locations. The U.S. workforce was reduced by 81% (9 FTEs) and the Canadian workforce by 59% (10 FTEs). Other related office and employment costs were eliminated as well with these restructuring efforts.

Debt Settlement Agreement

On December 11, 2020, the Company announced a debt settlement agreement was completed with the parent company, Nesta Holding Co Ltd. (“Nesta”) to convert all existing indebtedness due to Nesta from the Company thereby eliminating $2,901,631 in outstanding debt on favorable terms. As part of the Debt Agreement Nesta will receive 5,800,000 Common Shares in the capital of the Company at a deemed price of $0.05 per Common Share to settle $290,000 of the debt and forgive repayment of the remaining liability of approximately $2,611,631 of outstanding debt.

Financing

During the first quarter of fiscal year 2021, the Company successfully raised $1.25 million in financing. On January 29, 2021, the Company issued $300,000 of convertible notes, which bear interest at an annual rate of 12%. The convertible notes come to maturity on their one-year anniversary date and are convertible into common shares or in the event the Group completes an equity financing prior to April 15, 2021, the holder of the notes is obligated to convert their convertible notes and accrued interest thereon into equity instruments on the same terms of the equity financing. On March 5, 2021, the Company announced a private placement whereby 19,000,000 units were sold for gross proceeds of $950,000. Each unit consists of one common share at a price of $0.05 per share and one share purchase warrant exercisable at $0.075 per share for a period of two years from the date of closing. In addition to the private placement, the $300,000 convertible notes were converted into common shares under the same terms as the private placement for 6,094,681 units.

Management Transition

On January 20, 2020, Patrick Lalonde stepped down from his role as Chief Operations Officer. On January 16, 2020, the Company announced that Wikileaf founder, Dan Nelson, was stepping down as Chief Executive Officer ('CEO') and taking on the new role of Chief Growth Officer and that the board was appointing Derek Firth CEO. On June 9, 2020, the Company announced the departure of Mr. Firth. The Company's board of directors appointed Chair Connor Cruise as interim CEO. On June 19, 2020, Mr. Murray Hinz was appointed as independent director of the Company. Concurrently, Mr. Hinz assumed the role of Chair of the Company's Audit Committee.

Subsequent to year end, on January 4, 2021, the Company announced that Dan Nelson has departed as Chief Growth Officer and Manoj Hippola as Chief Financial Officer of the Company. Mike Best was appointed Chief Financial Officer of the Company.

Monetization Plan

The Company's board of directors established a Monetization Committee, which consists of a group of internal board members and external advisors who have specific domain experience, specifically in monetizing Internet traffic and Platforms. On February 25, 2020, the Committee presented the FY2020 Monetization plan, which was approved and ratified by the Company's board of directors. Pursuant to this plan, the Company began investigating various online revenue opportunities. Management believes the Wikileaf Platform provides a compelling opportunity for companies who want to be in tune with cannabis users and enthusiasts and their purchasing intentions, and that an effective way to reach this audience is through the use of entertaining and informative content. Wikileaf is in the process of creating a data-generating advertisement inventory comprised of items such as original content including articles, videos, podcasts, and re-purposed shareable media on all social Platforms. Through the Wikileaf Platform, cannabis consumers provide a wealth of valuable information that we feel can be monetized synergistically with a content driven advertising model.

Merger & Acquisition Committee

On June 30, 2020, the Company's board of directors established a Mergers & Acquisition ('M&A') Committee, which consists of a group of internal board members and executives who have been given the mandate to evaluate possible merger candidates and/or analyze specific acquisition targets presented to the Company's board.

Key Metrics

Management has identified **organic site traffic**, **page views**, **unique users, dispensary locations and brands** as relevant to investors' assessment of our operational results.

Organic Site Traffic

We calculate desktop and mobile user 'engagement' as the number of organic user sessions (traffic) as measured by Google Analytics. This traffic metric is a good indicator of our user's level of engagement with our desktop website, mobile website, and mobile apps. This metric is solely our organic traffic and does not represent traffic acquired via our content partner sites, which display a Wikileaf widget for price comparison, deals and strain information. We believe highly engaged users conducting price comparison and informational searches are more likely to be 'purchase-ready' consumers and therefore more sought-after by our prospective advertising clients.

Page Views

A page view is triggered when any page is loaded by visitors to our website. Our dispensary and strain content are informative and well designed which has engaged our users to continue searching our site looking for more. Page views are important because each page view calculates an ad impression for each ad on the page. The Company's ads are sold on a cost per thousand views basis, and page view totals is an important metric for Company growth.

For the Year Ended December 31, 2020, and 2019

(in thousands)

	2020	2019	2019 to 2020 % change
Average Monthly Traffic [1]	*1,090.3*	*1,215.5*	*-10.3%*
Average Monthly Page Views [2]	2,658.7	2,184.7	21.7%

For the Three Months Ended December 31, 2020, and 2019

(in thousands)

	2020	2019	2019 to 2020 % change
Average Monthly Traffic	1,023.7	1,142.9	-10.4%
Average Monthly Page Views	2,388.5	2,366.7	1.0%

Unique Users

We calculate unique visitors as the number of individuals 'users' as measured by Google Analytics who have visited our desktop, mobile website and mobile apps at least once in a given month, averaged over the reporting period.

Measuring unique visitors is important to us because our future revenue will depend in part on our ability to enable dispensaries and brands to connect with our users. We count unique visitor the first time the individual accesses one of our mobile applications using a mobile device during a calendar month and the first time an individual accesses our website using a web browser in a calendar month.

(1) Source Google Analytics, Internal data at December 31, 2020

(2) Source: Internal data at December 31, 2020

For the Year Ended

December 31, 2020, and 2019

	(in thousands) 2020	2019	2019 to 2020 % change
Average Monthly Unique Users	815.1	923.4	*-11.7%*

For the Three Months

Ended December 31, 2020, and 2019

(in thousands)

	2020	2019	2019 to 2020 % change
Average Monthly Unique Users	749.2	836.6	*-10.5%*

The decline in unique visitors was partially due to Google re-indexing of the Wikileaf site which occurred in June 2019. We believe this re-indexing exercise was part of a larger effort by Google to favour more mainstream health & wellness websites (ex: Healthline, WebMD) for medical cannabis searches and inquiries, rather than cannabis specific online sites such as Wikileaf. Several of the Company's competitors' sites were also negatively impacted by Google's re-indexing process in mid-2019. Another potential reason for recent decline in unique visitors is related to the overall loading and refresh speeds of the website. These issues are currently being addressed and we are expecting these issues to be fully resolved prior to the end of the second quarter of 2021.

Active Dispensary Locations

Active Dispensary Locations represents the cumulative number of licensed cannabis dispensaries and delivery services that are viewable on Wikileaf.com that have been actively engaged with the site over the previous 30 days. We define a dispensary locationas each individual dispensary address or multi-site delivery operation operating legally within their respective jurisdiction with a free business listing on Wikileaf.com available tobe viewed by our users.

As at

December 31, 2020, and 2019

	2020	2019	2019 to 2020 % Change
Active Dispensary Locations	8,234	5,257	56.6%

As at December 31, 2020, our active dispensary location count represented approximately 88% U.S. market presence based on dispensary count statistics provided by Cannabiz Media (CNB Media, LLC) and our own internal calculations based on site issued dispensary licences. Wikileaf only lists licensed operators on its website and endeavours to remove any dispensary location operating unlicensed and illegally within its individual state's regulatory regime.

Growth Strategy

Our objective is to further extend our position as a leading provider of informational tools and content for cannabis users. To accomplish this, we intend to:

Improve our User Experience. Our mission is to empower the cannabis consumer. To that end we provide real-time price comparison of cannabis strains and brands based on a user's location. In addition, we provide informational tools such as strain and brand profiles, dispensary reviews, engaging video, audio, and news content. We intend to continue developing technology offerings and site performance to meet the ever-changing expectations of today's cannabis consumers, with the goal of earning consumers' preference for using Wikileaf relative to new and existing digital web properties.

Grow our Audience. We intend to expand our content distribution, targeted marketing and advertising programs, public relations, and social media initiatives to efficiently increase consumer awareness for our brand. We also intend to increase our user footprint via international expansion. We have over 8,200 dispensaries/retailers and 2,700 brands from across the United States and Canada with detailed profiles on Wikileaf. As cannabis legalization initiatives continue to proliferate worldwide, the Company intends to take advantage of the opportunity to scale its Platform globally.

Grow the number of Dispensaries and Brands on Wikileaf. We intend to promote our niche valuation proposition to dispensaries and brands who are severely hindered from advertising online and would benefit from a highly targeted, purchase intent audience.

Leverage our Data. With millions of pricing inquiries on our Wikileaf Platform that are tied to specific geographical locations, our Platform can provide an understanding of local customer behavioural trends and user psychographics to individual dispensaries and brands aiming to properly service local customers in addition to multi-state operators seeking to understand state/local market dynamics based on user search queries.

Subsequent Events

On January 29, 2021, the Company issued $300,000 of convertible notes, which bear interest at an annual rate of 12%. The convertible notes come to maturity on their one-year anniversary date and are convertible into common shares or in the event the Group completes an equity financing prior to April 15, 2021, the holder of the notes is obligated to convert their convertible notes and accrued interest thereon into equity instruments on the same terms of the equity financing.

On February 19, 2021, the Company granted 700,000 stock options to employees and consultants at an exercise price of $0.07 per share.

On March 5, 2021, the Company announced a private placement whereby they sold 19,000,000 units for gross proceeds of $950,000. Each unit consists of one common share at a price of $0.05 per share and one share purchase warrant exercisable at $0.075 per share for a period of two years from the date of closing.

In addition to the private placement, the above mentioned $300,000 convertible notes were converted into common shares under the same terms as the private placement for 6,094,681 units.

On March 31, 2021, the parent company sold a portion of the common shares of the Company to a third party and as a result, they no longer have control over the Company.

Financial Overview

Selected Financial Information

The following tables highlight certain information and financial data of the Company for each of the two most recently completed financial years ended December 31, 2020, and 2019, respectively. Information set forth below should be read in conjunction with the Company's audited consolidated financial statements for the indicated years ended.

Summary of Quarterly Results

CDN $	Q4 2020	Q3 2020	Q2 2020	Q1 2020	Q4 2019	Q3 2019
Revenue	42,993	34,140	8,074	13,824	2,545	-
Net loss	(674,216)	(613,330)	(987,232)	(1,308,787)	(2,433,777)	(1,610,566)
Cash	286,248	854,081	1,454,193	2,321,588	3,562,858	5,738,132
Total assets	333,439	868,628	1,533,215	2,407,608	3,721,960	5,839,754
Total liabilities	224,888	3,196,325	3,328,329	3,373,954	3,215,309	3,735,498

	2020	2019
Revenue	99,031	2,985
Net loss	(3,583,565)	(8,652,112)
Cash	286,248	3,562,858
Total assets	333,439	3,721,960
Total liabilities	224,888	3,215,309
Total shareholders' deficiency	19,825,398	16,241,833

Revenue

The Company's revenue was $99,031 and $2,985 during the years ended December 31, 2020, and 2019, respectively. Revenue was derived primarily from the submission of Wikileaf.com to an online advertising network as a publisher website. Revenue for the three months ended December 31, 2020, and 2019 totalled $42,993 and $2,595, respectively.

Operating Expenses

Operating expenses during the years ended December 31, 2020, and 2019 totalled $3,682,596 and $8,655,097, respectively. Operating expenses for the three months ended December 31, 2020, and 2019 totalled $717,245 and $2,436,372, respectively. The significant decrease in operating expenses for the year ended December 31, 2020, can be attributed primarily to transaction costs related to the Company's reverse takeover in the comparable period ended December 31, 2019. Additional decreases in the three and twelve months ended December 31, 2020, is a result of the Company's workforce restructuring in the first quarter of 2020 as well as a decrease in professional fees incurred due to the reverse takeover transaction in 2019. It is anticipated that operating expenses will increase in subsequent quarters, with sales and marketing initiatives related to the Company's monetization strategy.

Marketing Expenses

	Year Ending December 31,		
	2020	**2019**	**2019 to 2020 % change**
Marketing & Entertainment	147,495	196,959	-25%

Marketing expenses during the years ended December 31, 2020, and 2019 totalled $147,495 and $196,959, respectively. The decrease in marketing expenditures year-to-year is a result of decreased expenses related to the elimination of traffic referral partnerships previously employed by the Company. We anticipate this expense item to increase with sales related expenditures as we grow our commercialization in 2021.

	Three months ending December 31,		
	2020	2019	2019 to 2020 % change
Marketing & Entertainment	101,447	112,282	-10%

Marketing expenses during the three months ended December 31, 2020, and 2019 totalled $101,447 and $112,282, respectively. The decrease in marketing expenditures period-to-period is a result of a delayed expenditures on the marketing of new monetization initiatives due to the COVID-19 pandemic. We anticipate this expense item to increase as we commence commercialization in 2021.

Professional Fees

	Year Ending December 31,		
	2020	2019	2019 to 2020 % change
Professional Fees	1,055,757	1,980,337	-47%

Professional fee expenses during the years ended December 31, 2020, and 2019 totalled $1,055,757 and $1,980,337. The decrease can be primarily attributed to legal and audit expenses related to the Company's reverse takeover in the comparable year ended December 31, 2019, that were not incurred in the year ended December 31, 2020. The Company incurred significant non-recurring professional expenditures in relation to its, financing and go-public initiatives which consisted primarily of legal-related expenses.

	Three months ending December 31,		
	2020	2019	2019 to 2020 % change
Professional Fees	132,894	570,229	-77%

Professional fee expenses during the three months ended December 31, 2020, and 2019 totalled $132,894 and $570,229, respectively. The decrease period-to-period can be attributed to legal related to the Company's reverse takeover in the comparable period ended December 31, 2019, that were not incurred in the three-month period ended December 31, 2020.

Salaries and Benefits

	Year ended December 31,		
	2020	**2019**	**2019 to 2020 % change**
Salaries and Benefits	1,753,697	1,903,762	-8%

Salaries and benefits expense during the years ended December 31, 2020, and 2019 totalled $1,753,697 and $1,903,762, respectively. The decrease in salaries and benefits can be attributed the Company's workforce restructuring in the first quarter. This decrease was partially offset by executive settlement and employee severance payments pursuant to the Company's workforce restructuring earlier in the year.

	Three months ended December 31,		
	2020	**2019**	**2019 to 2020 % change**
Salaries and Benefits	311,235	696,645	-55%

Salaries and benefits expense during the three months ended December 31, 2020, and 2019 totalled $311,235 and $696,645, respectively. The decrease in salaries and benefits can be attributed the Company's workforce restructuring in the first quarter.

Rent Expense

	Year ended December 31, 2020	2019	2019 to 2020 % change
Rent Expense	48,910	113,698	-57%

Rent expense during the years ended December 31, 2020, and 2019 totalled $48,910 and $113,698, respectively. The decrease in rental costs can be attributed to the Company's restructuring which included the termination of the Ottawa and Seattle month-to-month rental agreements in the second and third quarters of the year.

	Three months ended December 31, 2020	2019	2019 to 2020 % change
Rent Expense	1,488	30,992	-95%

Rent expense during the three months ended December 31, 2020, and 2019 totalled $1,488 and $30,992, respectively. The decrease in rental costs can be attributed to the Company's restructuring. The Ottawa and Seattle month-to-month rental agreements were eliminated by the fourth quarter of the year.

Office Supplies

	Year ended December 31, 2020	2019	2019 to 2020 % change
Office Supplies	48,819	114,389	-57%

Office supplies expense during the years ended December 31, 2020, and 2019 totalled $48,819 and $114,389, respectively. The decrease can be attributed to the Company's restructuring beginning in the first quarter. The restructuring efforts included elimination of month-to-month rental obligations and a significant reduction in staffing levels in both the Ottawa and Seattle locations.

	Three months ended December 31,		
	2020	**2019**	**2019 to 2020 % change**
Office Supplies	984	43,612	-98%

Office supplies expense during the three months ended December 31, 2020, and 2019 totalled $984 and $43,612, respectively. The decrease can be attributed to the Company's restructuring throughout the year. The reduction of staffing levels and the elimination of the month-to-month rental agreements in both Ottawa and Seattle were the primary reasons for the significant reductions in office supply during the fourth quarter of the year.

Outstanding Share Data

As of the date of this MD&A, 144,860,165 common shares are issued and outstanding.

On November 23, 2020, the Company granted 250,000 RSUs to two of its directors, vesting immediately on the date of issuance.

On December 10, 2020, the Company came to an agreement with the parent company whereby the Company issued 5,800,000 common shares at $0.05 per share in exchange for the settlement of $290,000 of debt owed to the parent company. The remaining debt owed to the parent company consisted of advances, management fees, notes, and interest payable on the notes, all of which were settled by the parent company. The issuance of common shares was done above fair value which was $0.035 as at December 10, 2020. As a result, common shares were issued for $203,000 and the difference of $87,000 was accounted for in contributed surplus.

On January 29, 2021, the Company issued $300,000 of convertible notes, which bear interest at an annual rate of 12%. The convertible notes come to maturity on their one-year anniversary date and are convertible into common shares or in the event the Group completes an equity financing prior to April 15, 2021, the holder of the notes is obligated to convert their convertible notes and accrued interest thereon into equity instruments on the same terms of the equity financing.

On March 5, 2021, the Company announced a private placement whereby they sold 19,000,000 units for gross proceeds of $950,000. Each unit consists of one common share at a price of $0.05 per share and one share purchase warrant exercisable at $0.075 per share for a period of two years from the date of closing.

In addition to the private placement, the above mentioned $300,000 convertible notes were converted into common shares under the same terms as the private placement for 6,094,681 units.

Share Capitalization

	Year ended	
	2020	**2019**
Common shares	119,765,484	113,715,484

Loss per share

Basic and diluted loss per share for the year ended December 31, 2020, and 2019 was -$0.03 per share and -$0.09 per share respectively, and for the three months ended December 31, 2020, and 2019 was -$0.01 and -$0.02 per share, respectively. The decrease in loss per share is a result of the decrease in operating expenses from period-to-period, related primarily to professional fees and transaction costs related to the Company's reverse take over, lower share-based compensation expenses, and a decrease in management fees paid to the parent company.

Stock Options

As of the date December 31, 2020, 12,347,900 stock options have been granted and outstanding.

Stock options on January 1, 2020	13,960,356
Issuance of stock options	3,835,000
Forfeited stock options	(5,447,456)
Stock options on December 31, 2020	12,347,900

As of the date of this MD&A, 13,047,900 stock options were outstanding.

Restricted Stock Units

On July 6, 2020, the Company granted 1,750,000 RSUs to its directors, expiring in 10 years from the date of issuance. On November 23, 2020, the Company granted 250,000 RSUs to two of its directors, vesting immediately on the date of issuance. As of the date December 31, 2020, 1,750,000 restricted stock units (‘RSU’s) remain outstanding.

	No. of RSUs
RSUs on January 1, 2020	-
Issuance of RSUs	2,000,000
Exercise of RSUs	(250,000)
RSUs on December 31, 2020	1,750,000

As of the date of this MD&A, 1,750,000 RSUs were outstanding.

Liquidity and Capital Resources

	Year ending December 31, 2020	**2019**
Net cash used in operating activities	(3,309,341)	(4,556,661)
Net cash from investing activities	4,579	5,932,283
Net cash from financing activities	-	1,983,901

The Company’s net cash used in operations for the year ended December 31, 2020, was \$3,309,341 (2019: \$4,556,661). The decrease was largely attributed to lower operating expenditures. The Company continues to anticipate negative cash flows from operations for the foreseeable future.

The Company's net cash from investing for the year ended December 31, 2020, was $4,579 (2019: $5,932,283) The decrease can be attributed to cash received in the prior year pursuant to the reverse takeover transaction.

The Company's net cash from financing for the year ended December 31, 2020, was $0 (2019: $1,983,901) The significant decrease is primarily attributed to no advances being received the from the parent in the year ended December 31, 2020.

As at December 31, 2020, the Company had a cash balance of $286,248 (December 31, 2019: $3,562,858).

For the year ended December 31, 2020, the Company had current liabilities of $224,888 (December 31, 2019: $3,215,309). The significant decrease in current liabilities is due to the debt settlement agreement with the parent company. Please see the Related Party Transactions section below for details of the debt settlement agreement.

	Three months ending December 31,	
	2020	**2019**
Cash used in operating activities	(607,967)	(1,804,803)
Cash used in investing activities	-	(15,526)
Cash used in financing activities	-	(336,429)

The Company's cash used in operations for the three months ended December 31, 2020, was $607,967 (2019: $1,804,803). The decrease period-to-period can be attributed to expenses related to the Company's reverse takeover in the comparable period ended December 31, 2019, that were not incurred in the three-month period ended December 31, 2020.

The Company's cash used in investing for the three months ended December 31, 2020, was $0 (2019: $15,526) The decrease period-to-period can be attributed to the purchase of computer and office equipment in the comparable period ended December 31, 2019, that were not incurred in the three-month period ended December 31, 2020.

The Company's cash used in financing for the three months ended December 31, 2020, was $0 (2019: $336,429) The decrease period-to-period can be attributed to expenses related to the Company's reverse takeover in the comparable period ended December 31, 2019, that were not incurred in the three-month period ended December 31, 2020.

Since inception, the Company has incurred operating losses. As at December 31, 2020, the Company has an accumulated deficit of $19,825,398 ($16,241,833 as at December 31, 2019). The Company has not yet completed its efforts to establish a stabilized source of revenue sufficient to cover operating expenses and relies on support from its shareholders and other potential financing arrangements to cover operating expenses.

Subsequent to year-end, the Company secured certain financing through the issuance of convertible notes and units (see Subsequent Event section). Based on the current level of expenditures and available liquidity, management estimates that the timeline to sustain the operations of the Company is limited to within the next six months of the date of issuance of this MD&A.

The Company is actively seeking to secure additional funding via equity-based financing, debt-financing and/or other arrangements. However, there is no assurance that the Company will be successful in this or any of its endeavours or become financially viable and continue as a going concern. Consequently, these material uncertainties raise significant doubt regarding the Company's ability to continue as a going concern.

Our ability to continue as a going concern is dependent upon our generating profitable operations in the future and/or obtaining the necessary financing to meet our obligations and repay our liabilities arising from normal business operations when they come due. Management believes that actions presently being undertaken to further implement our business plan and generate revenues provide opportunity for the Company to continue as a going concern. While we believe in the viability of our strategy to generate additional revenues and our ability to raise additional funds, there can be no assurances to that effect.

Off-Balance Sheet Arrangements

The Company does not have any off-balance sheet arrangements from the date of its incorporation to the date of this MD&A.

Related Party Transactions

Debt settlement with parent company

On December 10, 2020, the Group came to an agreement with parent company whereby the Group issued 5,800,000 common shares at $0.05 per share in exchange for the settlement of $290,000 of debt owed to parent company. The remaining debt owed to parent company consisted of advances, management fees, notes, and interest payable on the notes, all of which were settled by parent company.

The issuance of common shares was done above fair value which was $0.035 as at December 10, 2020. As a result, common shares were issued for $203,000 and the difference of $87,000 was accounted for in contributed surplus.

The settlement of debt owed to parent company resulted in an increase to contributed surplus of $2,795,602 as described below:

Settled debt owed to parent company	
Advances	1,558,020
Management fees payable	815,597
Notes payable	465,329
Interest on notes payable	159,656
	2,998,602
Issuance of common shares	(203,000)
	2,795,602

Management fees with parent company

The Company entered a related party transaction with its parent company. The arrangement required the Company to pay a fee of US$60,000 (US$60,000 in 2019) per quarter for management services rendered. For the management fees of February 2020, the Company negotiated a reduced fee of CA$13,560 for one month. Then, as of March 1, 2020, the previous arrangement was terminated and a new arrangement was entered, requiring the Company to pay a fee of CA$5,650 per month for management services rendered. As a result of the debt settlement described above, all management fees payable prior to the month of December 2020 were settled. Subsequent to year-end the agreement ended in January 2021. As at December 31, 2020, there is no payable ($857,732 (US$660,000) as at December 31, 2019). The amount included in management fee expense for the year ended December 31, 2020, is $94,934 (US$20,000 and CA$68,760) ($328,074 (US$240,000) for the year ended December 31, 2019).

Notes payable to the parent company

Unsecured promissory notes were issued to the parent company. The notes bear interest at prime rate plus 1%.

As at December 31, 2020, there remains no outstanding balance following the debt settlement ($474,250 (US$365,145) as at December 31, 2019).

As at December 31, 2020, there remains no outstanding balance of interest payable following the debt settlement ($146,240 (US$112,596) as at December 31, 2019). In 2020, $17,178 (US$12,686) of interest expense was recognized ($31,494 (US$23,735) in 2019).

Financial Instruments and Other Instruments

The Company's financial instruments consist of cash and current liabilities. Management has disclosed the impact of credit, liquidity, foreign currency, and interest rate risk below and in the audited consolidated financial statements.

RISK FACTORS

Credit risk

Financial instruments that can potentially subject the Company to a concentration of credit risk consists primarily of cash and trade accounts receivable. The Company limits its exposure to credit risk for cash by placing its cash with high credit quality financial institutions.

Foreign Currency Risk

Foreign currency risk is defined as the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. Foreign exchange risk is not considered significant as most of the Company's cash is in Canadian dollars; however, some expenses are settled in U.S. dollars. Currency risk results from the Company's expenses denominated in U.S. dollars.

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they come due. The Company currently settles its financial obligations out of cash. The ability to do this relies on the Company raising additional equity financing in excess of anticipated needs or increasing revenues.

Market Risk for Securities

There can be no assurance that an active trading market for the Common Shares will be sustained on the CSE. The market price for the Common Shares could be subject to wide fluctuations. Factors such as government regulation, interest rates, share price, movements of peer companies and competitors, as well as overall market movements, may have a significant impact on the market price of the Common Shares. The stock market has experienced extreme price and volume fluctuations, which have often been unrelated to the operating performance of individual companies.

Negative Cash Flow from Operations

During the year ended December 31, 2020, the Company had negative cash flow from operating activities. Although the Company anticipates it will have positive cash flow from operating activities in future periods, to the extent that the Company has negative cash flow in any future period, unallocated funds may be used to fund such negative cash flow from operating activities, if any.

Dilution

Common Shares, as well as including rights, warrants, special warrants, subscription receipts and other securities to purchase, to convert into or to exchange into Common Shares, may be created, issued, sold, and delivered on such terms and conditions and at such times as the Board may determine. In addition, the Company may issue additional Common Shares from time to time pursuant to Common Share purchase warrants and the options to purchase Common Shares issued from time to time by the Board. The issuance of these Common Shares could result in dilution to holders of Common Shares.

Risk of Incurring Operating Losses in the Future

The Company has incurred operating losses in the past and may incur operating losses in the future. It is expected that operating expenses will increase in the future as the Company expands its operations. Furthermore, as a public company in Canada, the Company will incur additional legal, accounting, and other expenses. If revenue does not grow to offset these increased expenses, the Company will not be profitable. The Company can provide no assurance that it will be able to achieve or maintain profitability.

Risks Related to Market Demands

The markets that the Company participates in may not grow as expected or at all. While the Company's goal is to increase its revenues by expanding its customer base, there can be no assurance that it will succeed in doing so. As a result, revenues may stagnate or decline, which may increase the Company's losses.

Global economy risk

The Company may be dependent upon capital markets to raise additional financing in the future while concurrently establishing a wider customer base. Access to financing could be negatively impacted by any global economic downturn. As such, the Company is subject to liquidity risks in meeting its operating expenditure requirements and future development cost requirements in instances where adequate cash positions are unable to be maintained or appropriate financing is unavailable. These factors may impact the ability to raise equity or obtain loans and other credit facilities in the future and on terms favourable to the Company and its management. If these levels of volatility and slow market conditions persist, the Company's operations, the Company's ability to raise capital and the trading price of the Common Shares could be adversely impacted.

Litigation

All industries, including the technology industry, are subject to legal claims, with and without merit. Legal proceedings may arise from time to time during the Company's business. Such litigation may be brought from time to time in the future against the Company. Defense and settlement costs of legal claims can be substantial, even with respect to claims that have no merit. The Company is not currently subject to material litigation, nor has the Company received an indication that any material claims are forthcoming. However, due to the inherent uncertainty of the litigation process, the Company could become involved in material legal claims or other proceedings with other parties in the future. The results of litigation or any other proceedings cannot be predicted with certainty. The cost of defending such claims may take away from management's time and effort and if the Company is incapable of resolving such disputes favorably, the resultant litigation could have a material adverse impact on the Company's financial condition, cash flow and results from operation.

Cannabis and the Online Advertising of Cannabis are Illegal under U.S. Federal Law

It is possible that the Company could be found to be violating laws relating to cannabis. While the Company is not directly or indirectly involved in the cultivation, manufacture or distribution of cannabis or cannabis-related products, the Company's business partners are directly or engaged in the medical and recreational cannabis industry in the United States where local State law permits such activities. Further, the distribution, possession, and consumption of cannabis remains illegal under U.S. Federal Law. As a result, it is possible that the Company could be found to be violating laws relating to cannabis. Currently, several States permit some form of cannabis cultivation, sales, and use for certain medical purposes and/or legalized cannabis use by adults for non-medical Notwithstanding the permissive regulatory environment of medical cannabis at the State level, cannabis continues to be categorized as a controlled substance under the Controlled Substances Act in the United States and as such, cultivation, distribution, sale, and possession of cannabis violates U.S. Federal law. The U.S.

Federal government has specifically reserved the right to enforce U.S. Federal law regarding the sale and disbursement of medical or adult-use recreational cannabis even if State law sanctioned such sale and disbursement. Such potential proceedings could involve significant restrictions being imposed upon the Company or third parties, while diverting the attention of key executives. Such proceedings could have a material adverse effect on the Company's business, revenues, operating results, and financial condition as well as the Company's reputation, even if such proceedings were concluded successfully in favour of the Company. The Company's collaboration with businesses involved in the medical and recreational cannabis industry may be illegal under the applicable U.S. Federal laws and other applicable law. There can be no assurances the U.S. Federal government or other jurisdictions will not seek to enforce the applicable laws against the Company. Violations of any U.S. Federal laws and regulations could result in significant fines, penalties, administrative sanctions, convictions, or settlements arising from civil proceedings conducted by either the U.S. Federal government or private citizens, or criminal charges, including, but not limited to, disgorgement of profits, cessation of business activities or divestiture. The consequences of such enforcement would likely be materially detrimental to the Company, including to its reputation. ability to conduct business, the listing of its securities on the CSE, its financial position, operating results, profitability or liquidity or the market price of its publicly traded shares. In addition, it is difficult for the Company to estimate the time or resources that would be needed for the investigation of any such matters or its final resolution because, in part, the time and resources that may be needed are dependent on the nature and extent of any information requested by the applicable authorities involved, and such time or resources could be substantial. The enforcement of relevant laws is a significant risk.

Constraints on Marketing Product

The development of the Company's business and operating results may be hindered by applicable restrictions on sales and marketing activities imposed by government regulatory bodies. The regulatory environment in the United States limits the Company's ability to compete for market share in a manner similar to other industries. If the Company is unable to effectively market its products and compete for market share, or if the costs of compliance with government legislation and regulation cannot be absorbed through increased selling prices for its products, the Company's sales and operating results could be adversely affected.

Legality of Contracts

Because certain of the Company's contracts involve cannabis and other activities that are not legal under U.S. Federal law and in some jurisdictions, the Company may face difficulties in enforcing its contracts in U.S. Federal and certain State courts.

Brand development

The success of the Company's brand depends on the effectiveness of the Company's marketing efforts and on the Company's ability to provide reliable services to customers at competitive prices. The Company's brand marketing strategies may not yield increased revenues, and even if they do, any increased revenues may not offset the expenses incurred in its attempts to build the Company's brand. There can be no assurance that advertising and promotional expenditures will result in revenues in the future or will generate awareness of the Company's products or services. If the Company fails to effectively market its brand, the Company may fail to attract new customers, retain existing customers, or attract sufficient media coverage to realize a sufficient return on branding efforts. A failure in brand development and marketing may result in a negative impact on the Company's business and potential revenues.

Technology risk

The Company's products and services are dependent upon advanced technologies which are susceptible to rapid and substantial changes. There can be no assurance that the Company's services will not be seriously affected by, or become obsolete because of, such technological changes. Further, the Company's services are constantly under revision and development and there can be no assurance that the Company's efforts will result in viable commercial services as conceived by the Company. There is a risk that similar services, which may include features more appealing to customers, may be developed and that other products and services competing with the Platform may use technologies not yet incorporated in the Platform. The occurrence of any of these events could negatively impact interest in the Platform and thus limit the potential revenues to be generated by the Company.

Technical operations infrastructure risk

The Company's management anticipates significant growth in the number of customers using the Platform. The Company seeks to maintain sufficient excess capacity in its operations infrastructure to meet the needs of all customers and to facilitate the development of the Platform to account for a growing and diverse customer base. In addition, the Company needs to effectively manage its technological operations infrastructure to support changes in hardware and software parameters, and the evolution of its products and services. Even though the Company has taken several steps to allow its infrastructure to handle significant increases in demand, it may in the future experience website disruptions, outages, and other performance problems. These problems may be caused by a variety of factors, including but not limited to: infrastructure changes; human or software errors; viruses; security attacks; fraud; spikes in customer usage; and denial of service issues. In some instances, the Company may not be able to identify the cause or causes of these performance problems within an acceptable period, which may harm the Company's reputation and operating results If the Company's operations infrastructure fails to keep pace with an increased customer base, customers may experience delays which could adversely affect the Company's reputation and its revenue.

Third party service providers

The Company relies on several third-party service providers such as independent software developers, point-of-sale and compliance software providers and website hosting providers, as well as its own facilities, including internal technology to host and deliver its products and services. Any interruptions or delays in services from these third parties could impair the delivery of the Company's products and services, thereby harming the Company's business and reputation. The Company hosts its products and services on multiple third-party data facilities. While the Company operates through these facilities, the Company does not control the operation or service level requirements of these facilities. These service providers could be subject to cyber-attacks, break-ins, computer viruses, sabotage, intentional acts of vandalism and other misconduct. A natural disaster or an act of terrorism, a decision to close the services providers' facilities without adequate notice, capacity limitations at the facilities, and other unanticipated problems could result in lengthy interruptions in availability of the Company's products and services, which could adversely affect the Company's reputation and its revenue. Furthermore, the Company depends on internet access through third-party bandwidth providers in order to operate its business. If the Company loses the services of these bandwidth providers for any reason, then the Company could experience disruption in the delivery of its products. The Company may have trouble in replacing any bandwidth on commercially reasonable terms, or at all, due to the large amount of bandwidth required by the Company. The Company's operations also rely heavily on the availability of electrical power, which is supplied by third party providers, and any increase in the cost of electrical power could negatively impact the Company's operations and profitability. The Company's operations and profitability may be harmed if the Company or any of its third-party service providers experience any major power outages. Any errors, defects, disruptions or other performance problems with the Company's products or services caused either by third parties or by the Company, could harm the Company's reputation and may damage the Company's business. Interruptions in the availability of the Company's products and services may reduce revenues due to increased turnaround time to complete projects or provide updates, new feature rollouts or technical support, increase the need for the Company to issue credits to customers, or cause customers to terminate their contracts with the Company. The Company's business would be harmed if customers or potential customers view the Company's products and services as unreliable, which could adversely affect the Company's reputation and its revenue.

Product quality risk

If the information or Platform that the Company provides to customers is inaccurate or unreliable, or perceived to be inaccurate or unreliable, the Company's brand and overall reputation within the software sector may be harmed. Any dissatisfaction by customers or the media with the Company's services, products or methodologies could have an adverse effect on the Company's ability to retain existing customers and attract new customers. Additionally, the Company could be required to pay damages, which could be substantial, to certain customers if the information provided to them is found to be negligent, and the customers relied on said negligence to make decisions that cause harm to them. Any harm incurred or any harm to the Company's brand or reputation due to actual or perceived irregularities or inaccuracies in the Platform could harm the Company's overall business and adversely affect the Company's reputation and its revenue.

Competitive and pricing risk

The current market for the Company's Platform is extremely fragmented and there are few significant companies that have achieved scale in operations. However, the Company expects to experience additional competition in the future as other companies develop or offer an increasing number of similar online Platforms. With the introduction of technological advances and new entrants into these markets at a rapid pace, competition may intensify in the future which could harm the Company's ability to develop a customer base for the Platform and mitigate the revenue being generated. The Company's current and potential competitors may have significantly greater financial, technical, marketing, and other resources; may be able to devote greater resources to the development, promotion, sale and support of their products and services; may have more extensive customer bases and broader customer relationships; and, may have longer operating histories and more brand recognition. In some cases, these businesses may choose to offer their products and services at lower prices or rates in response to new competitors entering the market. In competing with such businesses, the Company may be unable to establish demand for its product and services which could negatively impact the Company's business and potential revenues.

Intellectual property

The ability of the Company to maintain or increase usage of the Platform and sales will depend in part on its ability to maintain and grow its brand equity through the use of its registered domain names and intellectual property. A loss of any of these may result in the Company's brand equity being diminished and thus a loss of potential customers. As protection, the Company requires its employees and independent contractors to enter into confidentiality agreements, however it cannot be assured that the obligations therein will be maintained and honored. Despite confidentiality agreements and other methods of protecting trade secrets, the Company's proprietary information could become known to or independently developed by competitors. Further, the Company's competitors may have been granted patents protecting various product features, including systems, methods, and designs. If the Company's products employ these processes, or other subject matter that is claimed under its competitors' patents, or if other companies obtain patents claiming subject matter that the Company uses, those companies may bring infringement actions against us. Whether a product infringes a patent involves complex legal and factual issues, the determination of which is often uncertain. In addition, because patent applications can take many years to issue, there may be applications now pending of which the Company is unaware, which might later result in issued patents that the Company's products may infringe. If any of the Company's products infringes a valid patent, it could be prevented from distributing that product or service, unless and until it can obtain a license or redesign the product or service in question to avoid infringement. A license may not be available or may require us to pay substantial royalties. Additionally, the Company may not be successful in any attempt to redesign the infringing product or service. Infringement and other intellectual property claims, with or without merit, can be expensive and time-consuming to litigate, and the Company may not have the financial and human resources to defend ourselves against any infringement suits that may be brought against us. Moreover, due to the differences in foreign patent, trademark, trade dress, copyright and other laws concerning proprietary rights, the Company's intellectual property may not receive the same degree of protection in foreign countries as it would in Canada or the United States. The Company's failure to possess, obtain or maintain adequate protection of its intellectual property rights for any reason in these jurisdictions could have a material adverse effect on its business, results of operations and financial condition.

Uninsured or uninsurable risk

The Company may become subject to liability for risks against which are uninsurable or against which the Company may opt out of insuring due to the high cost of insurance premiums or other factors. The payment of any such liabilities would reduce the funds available for usual business activities. Payment of liabilities for which insurance is not carried may have a material adverse effect on the Company's financial position and operations.

Risks Related to Fluctuations in Revenues and Results

The Company may experience significant fluctuations in its quarterly and annual results of operations for a variety of reasons, many of which are outside of the Company's control. Any fluctuations may cause the Company's results of operations to fall below the expectations of securities analysts and investors. This would likely affect the ability of a purchaser to dispose of the Company's Common Shares or the market price of the Common Shares if trading of them is possible in a marketplace.

Key Personnel Risk

The Company's success will depend on its directors and officers to develop the business and manage operations and on their ability to attract and retain key technical, sales and marketing staff or consultants once operations begin. The loss of any key person or the inability to find and retain new key persons could have a material adverse effect on the business. Competition for qualified technical, sales and marketing staff, as well as officers and directors can be intense, and no assurance can be provided that the Company will be able to attract or retain key personnel in the future which may adversely impact operations.

Management of growth

The Company's management anticipates rapid growth and plans to capitalize on this growth. Future operating results will depend on management's ability to manage this anticipated growth, hire, and retain qualified personnel, properly generate revenues, and control expenses. A decline in the growth rate of revenues without a corresponding reduction in the growth rate of expenses could have a material adverse effect on the Company's business, results of operations, cash flows and financial condition.

Product and services development

The Company may not be able to improve the content and delivery of the Platform in a timely or cost-effective manner. The Company is updating and improving the Platform to meet changing market demands. Revisions to the Platform may not be well received by existing or prospective customers. Furthermore, modifying the Platform may require the Company to invest in content development, increase marketing efforts and re-allocate resources away from other uses. Even if the Company's new features or services are well received, the Company could suffer adverse results if these new features and services are not offered to customers in a timely or cost-effective manner. If the Company does not respond adequately to changes in market demands, then the Company's ability to attract and retain customers may be impaired and financial results could suffer.

Ability to attract new customers

To increase our revenue and achieve and maintain profitability, we must constantly add new customers or sell additional solutions to our existing customers, which we plan to do. Numerous factors, however, may impede our ability to add new customers and sell additional solutions to our existing customers, including our inability to convert individuals that have been referred to us by our existing network into paying customers, failure to attract and effectively train new sales and marketing personnel, failure to retain and motivate our current sales and marketing personnel, failure to develop relationships with sellers or failure to ensure the effectiveness of our marketing programs. In addition, if prospective customers do not perceive our solutions to be of sufficiently high value and quality, we will not be able to attract the number and types of new customers that we are seeking.

Confidentiality risk

Personal information collected by the Company in the ordinary course of business may be vulnerable to breach, theft, or loss. This could subject the Company to liability or negatively impact the Company's reputation and operations. The Company collects, uses, and retains personal information from its customer base, including personal and financial data. The Company also collects and maintains personal information of its employees. Although the Company uses security controls to limit access and use of personal information, a third party or internal errors within the Company may circumvent these controls, which could result in a breach of customer or employee privacy. A violation of any laws or regulations relating to the collection or use of personal information could result in the Company incurring fines. While the Company believes it takes appropriate precautions and safety measures, there is still a possibility that a breach, theft or loss of personal information may occur. Any breach, theft or loss of such personal information could negatively impact the Company's financial condition, reputation, and may result in the Company incurring liability.

Unfavourable publicity or consumer perception

The Company believes the cannabis industry is highly dependent upon consumer perception regarding the safety, efficacy and quality of the cannabis produced. Consumer perception of the Company's products can be significantly influenced by scientific research or findings, regulatory investigations, litigation, media attention and other publicity regarding the consumption of cannabis products. There can be no assurance that future scientific research, findings, regulatory proceedings, litigation, media attention or other research findings or publicity will be favorable to the cannabis market or any product, or consistent with earlier publicity. The Company's dependence upon consumer perceptions means that adverse scientific research reports, findings, regulatory proceedings, litigation, media attention or other publicity, whether accurate or with merit, could have a material adverse effect on the Company, the demand for the Company's products and services, financial condition, and cash flows of the Company. Further, adverse publicity reports or other media attention regarding the safety, efficacy, and quality of cannabis in general, or the Company's products or services specifically, or associating the consumption of cannabis with illness or other negative effects or events, could have such a material adverse effect. Such adverse publicity reports or other media attention could arise even if the adverse effects associated with such products resulted from consumers' failure to consume such products legally, appropriately, or as directed.

Research and market development

Although the Company is committed to researching and developing new markets and services and improving existing services provided through the Platform, there can be no assurance that such research and market development activities will prove to be profitable or that the resulting markets and/or services, if any, will be commercially viable or successfully produced and marketed. The Company must rely largely on its own market research to forecast sales as detailed forecasts are not generally obtainable from other sources at this early stage of the cannabis industry in North America. As the Company is operating its business in a relatively new industry and market, there are no assurances that this industry and market will continue to exist or grow as currently estimated or anticipated, or function and evolve in a manner consistent with management's expectations and assumptions. Any event or circumstance that affects the cannabis industry or market could have a material adverse effect on the Company's business, financial condition, and results of operations. Due to the early stage of the regulated cannabis industry, forecasts regarding the size of the industry are inherently difficult to prepare with a high degree of accuracy and reliability. A failure in the demand for the Company's services to materialize because of competition, technological change or other factors could have a material adverse effect on the business, results of operations and financial condition of the Company.

The Company may attempt to identify and execute future acquisitions or dispositions

Although there is no present intention to undertake any material acquisitions, dispositions and other strategic transactions, a determination to do so in the future could involve a number of risks, including: (i) potential disruption of the Company's ongoing business; (ii) distraction of management; (iii) the Company may become more financially leveraged; (iv) the anticipated benefits and cost savings of those transactions may not be realized fully or at all or may take longer to realize than expected; (v) increasing the scope and complexity of the Company's operations, and (vi) loss or reduction of control over certain of the Company's assets. The presence of one or more material liabilities of an acquired company that are unknown to the Company at the time of acquisition could have a material adverse effect on the results of operations, business prospects and financial condition of the Company. A strategic transaction may result in a significant change in the nature of the Company's business, operations, and strategy. In addition, the Company may encounter unforeseen obstacles or costs in implementing a strategic transaction or integrating any acquired business into the Company's operations.

Regulatory or agency proceedings, investigations, and audits

The Company's business requires compliance with many laws and regulations. Failure to comply with these laws and regulations could subject the Company to regulatory or agency proceedings or investigations and could also lead to damage awards, fines, and penalties. The Company may become involved in several government or agency proceedings, investigations, and audits. The outcome of any regulatory or agency proceedings, investigations, audits, and other contingencies could harm the Company's reputation, require the Company to take, or refrain from taking, actions that could harm its operations or require the Company to pay substantial amounts of money, harming its financial condition. There can be no assurance that any pending or future regulatory or agency proceedings, investigations and audits will not result in substantial costs or a diversion of management's attention and resources or have a material adverse impact on the Company's business, financial condition, and results of operation.

Fraudulent or illegal activity by employees, contractors, and consultants

The Company is exposed to the risk that its employees, independent contractors and consultants may engage in fraudulent or other illegal activity. Misconduct by these parties could include intentional, reckless and/or negligent conduct or disclosure of unauthorized activities to the Company that violates: (i) government regulations; or (ii) laws that require the true, complete, and accurate reporting of financial information or data. It is not always possible for the Company to identify and deter misconduct by its employees and other third parties, and the precautions taken by the Company to detect and prevent this activity may not be effective in controlling unknown or unmanaged risks or losses or in protecting the Company from governmental investigations or other actions or lawsuits stemming from a failure to follow such laws or regulations. If any such actions are instituted against the Company, and it is not successful in defending itself or asserting its rights, those actions could have a significant impact on our business, including the imposition of civil, criminal and administrative penalties, damages, monetary fines, contractual damages, reputational harm, diminished profits and future earnings, and curtailment of the Company's operations, any of which could have a material adverse effect on the Company's business, financial condition and results of operations.

Information Technology Systems and Cyber-attacks

The Company has entered into agreements with third parties for hardware, software, telecommunications, and other information technology ("IT") services in connection with its operations. The Company's operations depend, in part, on how well it and its suppliers protect networks, equipment, IT systems and software against damage from several threats, including, but not limited to, cable cuts, damage to physical plants, natural disasters, intentional damage and destruction, fire, power loss, hacking, computer viruses, vandalism and theft. The Company's operations also depend on the timely maintenance, upgrade and replacement of networks, equipment, IT systems and software, as well as pre-emptive expenses to mitigate the risks of failures. Any of these and other events could result in information system failures, delays and/or increase in capital expenses. The failure of information systems or a component of information systems could, depending on the nature of any such failure, adversely impact the Company's reputation and results of operations. The Company has not experienced any material losses to date relating to cyber-attacks or other information security breaches, but there can be no assurance that the Company will not incur such losses in the future. The Company's risk and exposure to these matters cannot be fully mitigated because of, among other things, the evolving nature of these threats. As a result, cyber security and the continued development and enhancement of controls, processes and practices designed to protect systems, computers, software, data and networks from attack, damage or unauthorized access is a priority. As cyber threats continue to evolve, the Company may be required to expend additional resources to continue to modify or enhance protective measures or to investigate and remediate any security vulnerabilities.

The Company's failure to innovate or adapt to changes in technology or customer needs could damage its competitiveness

The markets in which Company operates are characterized by rapidly changing technology and changing user demands. As a result, the Company's future success will depend on its ability to innovate and adapt to rapidly changing technologies, to adapt its services to evolving industry standards and to continually improve the performance, features, and reliability of its services in response to competition and the evolving demands of the marketplace and other services. If the Company is unable to innovate, adapt or improve in response to changing user needs or market conditions in a timely manner, the Company may lose users which could have a material adverse impact on its business and results of operations. In particular, consumers and businesses are increasingly using mobile devices, including smartphones and tablets, for a wide range of purposes, including accessing content. While a significant and growing portion of participants access the Company's web services through mobile devices, this area is relatively new and evolving rapidly, and the Company may not be able to continue to increase the level of mobile access to, and engagement on, its web services. The variety of technical and other configurations across different mobile devices and Platforms increases the challenges associated with this environment. If the Company is unable to attract significant numbers of new mobile users and increase levels of mobile engagement, its ability to maintain or grow its business would be materially and adversely affected.

The Company's success depends, in part, on the integrity of its systems and infrastructures and on its ability to enhance, expand and adapt these systems and infrastructures in a timely and cost-effective manner

For the Company to succeed, its office systems and infrastructures must perform well on a consistent basis. From time to time, the Company may experience office system interruptions that make some or all of its systems or data unavailable and prevent its products from functioning properly for our users; any such interruption could arise for any number of reasons. Further, the Company's systems and infrastructures are vulnerable to damage from fire, power loss, telecommunications failures, and similar events. The Company's data centers are also subject to break-ins, sabotage, and intentional acts of vandalism, and to potential disruptions if the third-party operators of these facilities have operational or financial difficulties. While the Company has backup systems in place for certain aspects of its operations, its systems and infrastructures are not fully redundant, disaster recovery planning is not sufficient for all eventualities and its property and business interruption insurance coverage may not be adequate to compensate the Company fully for any losses that it may suffer. Any interruptions or outages, regardless of the cause, could negatively impact the Company's users' experiences with its products, tarnish its brands' reputation and decrease demand for its products, any, or all of which could adversely affect our business, financial condition, and results of operations.

The Company is Dependent on Third Parties for Data, Information and Other Services

The Company obtains data and information through arrangements with content providers. While the Company enters into agreements with its content providers, some could seek to increase fees for providing their proprietary content or services and others may not offer the Company an opportunity to renew existing agreements. In addition, the Company relies on third party service providers for telecommunications and other services that the Company has outsourced, such as certain cloud service providers and other information technology services. If the Company is unable to maintain or renegotiate commercially acceptable arrangements with these content or service providers or find substitutes or alternative sources of equivalent content or service, its business could be adversely affected. The Company's revenues and margins could also be reduced if some of its competitors obtained exclusive rights to provide or distribute certain types of data or information that was viewed as critical by the Company's customers.

Reporting issuer status As a Reporting Issuer in Canada

The Company is subject to reporting requirements under applicable Canadian securities law and stock exchange policies. Compliance with these requirements increase legal and financial compliance costs, make some activities more difficult, time consuming or costly, and increase demand on existing systems and resources. Among other things, the Company is required to file annual, quarterly, and current reports with respect to its business and results of operations and maintain effective disclosure controls and procedures and internal controls over financial reporting. To maintain and, if required, improve disclosure controls and procedures, and internal controls over financial reporting to meet this standard, significant resources and management oversight may be required. As a result, management's attention may be diverted from other business concerns, which could harm the Company's business and results of operations. The Company may need to hire additional employees to comply with these requirements in the future, which would increase its costs and expenses.

Business Impact of Legal Uncertainty in the United States

Continued development of the cannabis industry is dependent upon continued legislative authorization of cannabis at the State level, as well as the U.S. government's continued non-enforcement of U.S. Federal cannabis laws against State law-compliant cannabis businesses. Any number of factors could slow or halt progress in this area. Further, progress, while generally expected, is not assured. Some industry observers believe that well-funded interests, including businesses in the alcohol beverage and the pharmaceutical industries, may have a strong economic opposition to the continued legalization of cannabis. The pharmaceutical industry, for example, is well funded with a strong and experienced lobby that eclipses the funding of the medical cannabis movement. Any inroads legalization opponents could make in halting the impending cannabis industry could have a detrimental impact on our business. While there may be ample public support for legislative action, numerous factors impact the legislative process. Any one of those factors could slow or halt the continued legalization and use of cannabis, which would negatively impact our business. As we do business with consumers and businesses involved in the cannabis industry, we cannot guarantee that we will not face any legal enforcement even though we have faced none yet. In addition, laws, and regulations, applied generally, grant government agencies and self-regulatory bodies broad administrative discretion over our activities, including the power to limit or restrict business activities as well as impose additional disclosure requirements on our services. While we endeavor to comply with all relevant laws, regulations and guidelines and, to our knowledge, we are in compliance and continue to monitor and assess compliance with all such laws, regulations and guidelines, any failure to comply with the regulatory requirements applicable to our operations may lead to possible sanctions including: the suspension or expulsion from a particular market or jurisdiction or of our key personnel; the imposition of additional or more stringent inspection, testing and reporting requirements; and the imposition of fines and censures. In addition, changes in regulations, more vigorous enforcement thereof or other unanticipated events could require extensive changes to our operations, increase compliance costs or give rise to material liabilities or a revocation of our licences and other permits, which could have a material adverse effect on our business, results of operations and financial condition. Furthermore, governmental authorities may change their administration, application, or enforcement procedures at any time, which may adversely impact our ongoing costs relating to regulatory compliance.

Critical Accounting Policies and Estimates

The Company has prepared the accompanying audited consolidated financial statements in accordance with International Financial Reporting Standards ("IFRS"). Significant accounting policies and estimates are described in Notes 4 and 5 of the Company's consolidated financial statements as at December 31, 2020, and 2019.

The preparation of consolidated financial statements according to IFRS requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities; disclosure of contingent assets and liabilities at the date of the financial statements; and the reported amounts of expenses during the reporting period. Actual outcomes could differ from these estimates.

Significant accounting estimates:

- The valuation of share-based compensation.

Significant accounting judgments:

- The evaluation of the Company's ability to continue as a going concern.