

 **FUNCTIONAL**

SPRING 2024

**INVESTOR PRESENTATION**

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# Mission

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## Building a Suite of Health & Wellness Lifestyle Brands



# Challenge

## Supplement Industry:

- Subpar quality rampant in the industry
- Increased regulations surrounding supplements
- Lack of industry consistency
- Lack of efficacy




## Hemp Derived Industries:

- Riddled with regulations which hinders the ability to build a hemp-derived brand that's federally legal
- Fragmented due to state regulations
- No household names or national brands



# Company Overview - Brands

**KIRKMAN®**  **FUNCTIONAL**

P2I

## Wellness Brands

- Established brand with market penetration and household awareness - over 70 years
- Consistent top line revenue of \$10M+
- Global distribution across 20+ countries in Europe, MENA and APAC regions as well as the States
- Market positioning and established channels for legalization of Cannabis industry
- FDA registered, cGMP manufacturing facility
- Running at approximately 25% capacity – room for growth
- Opportunity to roll-up similarly established brands through M&A

*Hemptown*  
  
**NATURALS**

Golf  
Mellow.  


## Hemp Derived Lifestyle Brands

- Revenue streams across the value chain
- Full portfolio of products – hemp smokes, gummies, capsules, tinctures
- Established celebrity endorsement with industry influencers the Trailer Park Boys; with more on the horizon over 25 influencers targeted towards affiliate program
- Flexibility to adapt to shifting market depth

**TRAILER PARK BOYS®**



# Company Overview & Projections

- ✓ Experienced operators – Fortune 500 led team
- ✓ Established history with global distribution (30+ countries) throughout the US as well as Europe, Asia Pacific and MENA
- ✓ Vertically integrated to optimize manufacturing in a cGMP certified facility and FDA registered
- ✓ Hold 30 registered trademarks in over 17 jurisdictions
- ✓ Multiple brands - Kirkman, Functional, Prenatal, Hemptown Naturals, & Golf Mellow with more to come



# Company Snapshot



CATEGORY	DETAILS
<b>Industries</b>	Health & Wellness
<b>Markets</b>	US and over 30 countries globally
<b>Licenses Held</b>	cGMP certified and FDA registered with pharmaceutical license
<b>Business Model</b>	Consumer Packaged Goods
<b>Brands</b>	Kirkman, Golf Mellow, Hemptown Naturals, Functional with more under development
<b>Products</b>	Nutraceutical Supplements - Products available in top 12 in-demand categories Hemp – Gummies, Tinctures, and capsules
<b>Growth Drivers</b>	New products, re-engineering processes, enhanced sales & marketing, M&A







**K KIRKMAN®**

Helping people live healthy lives

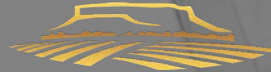


# Kirkman

# KIRKMAN®



Established Brand in  
Business for Over 70 Years



Acquired by  
Hemtown in June 2019

Recognized for treating patients with Autism Spectrum Disorders and special dietary needs through an established network of over 2,000 doctors, in over 40 countries



200 SOPS



Over 180 SKUS

**State-Of-The-Art Equipment for Precision Dosages of Efficacious Supplements**

- Creams & Topicals
- Capsules & Tablets
- Powders and Liquids
- Tinctures



FDA Registered



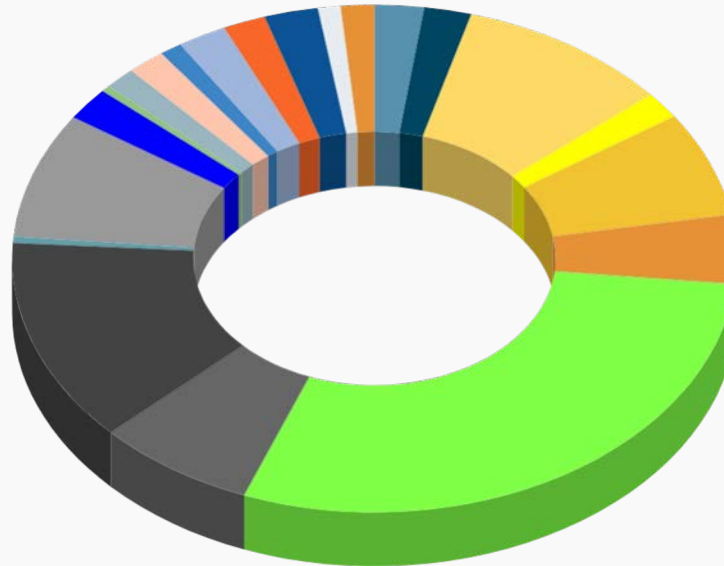
cGMP Certified



# Kirkman Expansive Portfolio



Kirkman operates in 95% of the major subsegments in the supplement industry



- 2.2% Anti-aging
- 2.1% Anti-cancer
- 9.5% Bone & Joint Health
- 1.7% Energy & Weight Management
- 6.7% Cardiac Health
- 4.4% Diabetes
- 29.2% Energy & Weight Management
- 7.1% Gastrointestinal Health
- 13% General Health
- 0.4% Hangover
- 8% Immunity
- 2.1% Insomnia
- 0.4% Lungs Detox/ Cleanse
- 1.4% Menopause
- 1.7% Mood
- 1% Nerves System Health
- 2.2% Prenatal Health
- 1.9% Sexual Health
- 2.4% Skin/ Hair/ Nails
- 1% Urinary Tract Health
- 1.5% Vision



# Kirkman

**KIRKMAN®**

## Nutraceutical Supplements

- ✓ Testing beyond FDA requirements
- ✓ Gross margin: 27% to 85%
- ✓ Long-standing loyal customer and consumer base
- ✓ B2B business and D2C business
- ✓ Quality of the highest standard

## Future Plans

- ✓ Expansion into Big Box Retailers
- ✓ Organic growth through enhanced sales & marketing efforts
- ✓ Optimized manufacturing process
- ✓ SKU differentiation
- ✓ Mergers & acquisitions of brands to leverage existing infrastructure



*Look for this seal for your assurance of purity!*





# Prenatal Supplement



# Prenatal Opportunity



## Current market

- ✓ Prenatal supplements on the market littered with all sorts of contaminants - toxins and metals
- ✓ Multiple class action lawsuits have been filed against major manufacturers in light of these concerns
- ✓ In October 2023, the International Federation of Gynecology and Obstetrics (FIGO) released a **published statement and recommendations regarding prenatal vitamins**
- ✓ FIGO recommendations
  - Patients should only consume and clinicians should only prescribe clean & safe supplements
  - Manufacturers should be held to a standard of production that assures safety
  - Certification of all prenatal vitamins becomes the standard of care



# Prenatal Opportunity



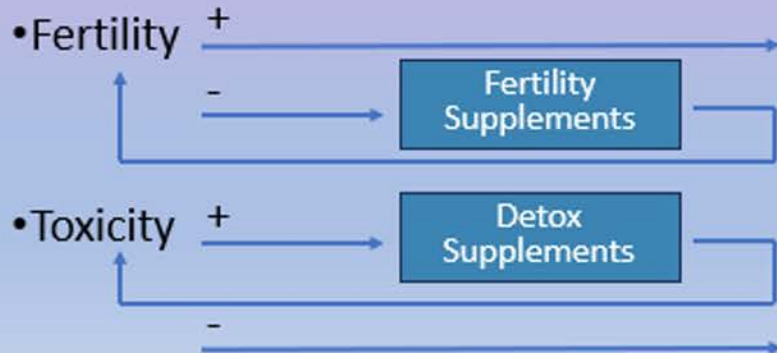
## Short-term

- ✓ **Only prenatal supplement on the market** which meets the criteria set by FIGO
- ✓ **License agreement to produce exclusive prenatals to capture significant market share**
- ✓ Global market to hit \$1bn by 2032 from \$522m in 2022 with expected CAGR of 7.1%



# Prenatal Opportunity

Long-term







# FUNCTIONAL



# Nutraceutical Opportunity

- Global dietary supplements market size was valued at USD\$151.9bn in 2022 and is expected to expand at a compound annual growth rate (CAGR) of 8.9% from 2023 to 2030
- The average American **spends around \$56 per month on dietary supplements**
- **43.8% of gym-goers** use nutrition supplements
- The fitness industry is pulling the market for sports nutrition supplements **upward by 9.1% annually**

 **FUNCTIONAL**

**KIRKMAN**<sup>®</sup>



# Product: Functional



Functional, is a mushroom based suite of products. Here are just some of the products we have in the works, focus for the following areas:

- **Beauty Within**
- **Energy & Endurance**
- **Gut Health**
- **Immunity**
- **Mental Clarity & Focus**

- Functional is Hemptown's latest wellness brand
- Leveraging clinically backed mushroom formulations





# Hemptown

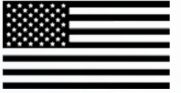


NATURALS

[hemptownnaturals.com](http://hemptownnaturals.com)



MADE IN THE USA



# A True Lifestyle Brand...

## Premium Hemp Products with CBD, CBG, and Zero Nicotine

PREMIUM HEMP WITH **HIGH-END GENETICS**



- ✓ Made with 100% CBD and CBG rich hemp
- ✓ Direct from Hemptown's Oregon farm proprietary terpene infused filters
- ✓ Available in a wide range of flavours



# Strategy Partnership

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**TRAILER PARK BOYS®**



# Strategy Partnership



## Hemp stix



Menthol Blend



Regular Blend

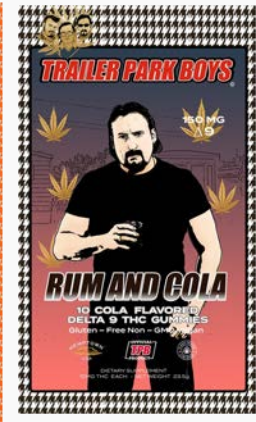
## Hemp-Derived D9 Gummies



Green Bastard



Orangie



Rum & Cola



# Exposure & Reach



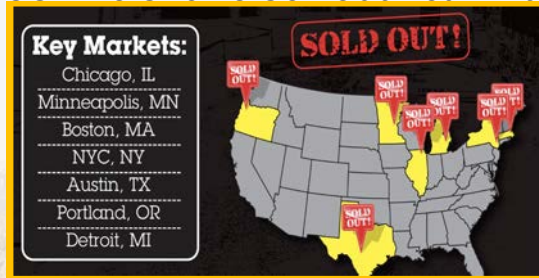
## Trailer Park Boys has Strong Social reach

- 18.5 million downloaded the TPB podcast, nominated for Best of iTunes
- 3.5 million Twitter account views per month
- 2.5 million followers on Facebook
- 1.45 million video views on Youtube
- 1.5 million impression per week on Instagram
- 57% of their audience is in the US

## Trailer Park Boys Public Relations



## TPB US Live Shows Sell Out Year After Year



## The World Loves the Boys







# Golf Mellow™

up your game



# Product: Golf Mellow



Golf Mellow is part of our *specially formulated* line of sports products developed in-house geared specifically with golfers in mind.

Golf Mellow ranges with a variety of applications to help golfers bring their a-game.

## What can you expect?

- Sleep caps - ensures you're well rested the night before
- Super B12 powder - provides the energy need for the perfect round
- Calm caps - helps manage your anxiety when you need it most
- Epsom salt cream & recovery caps - aids with recovery after the game

Enjoy it in any variety of ways

- Creams
- Capsules
- Tinctures



# Overview: Golf Mellow



## Why Hemptown?

- ✓ Made in the USA
- ✓ Manufactured in in a FDA registered and cGMP certified facility
- ✓ All products are tested twice by certified third-party labs - once as raw materials and again as finished products
- ✓ Proprietary formula specially designed to 'up your game' performance



# Commercialization / Adoption Strategies

## Events



## Partnerships



## E-commerce / Ad Platforms



# Use of Proceeds

## 2024 IPO Financing

Kirkman Deferred Payment		\$2,500,000
Sales & Marketing		\$1,500,000
Market Awareness Marketing		\$1,000,000
Initial Public Offering - Expenses, Audit, Legal, Listing, Fees.		\$750,000
Financing Commissions and Fees		\$750,000
Working Capital and Contingency		\$500,000
<b>Total (USD)</b>		<b>\$7,000,000</b>



# Executive



**Eric Gripentrog**  
CEO

Eric has worked in the Consumer-Packaged Goods industry for 27 years. He worked for the Kellogg Company for 25 years in several different roles, both domestically and internationally, and most recently leading Panera's Consumer Packaged Goods division.



**Tariq Rahim, CPA,  
CA**  
CFO

Tariq is a licensed Chartered Professional Accountant with over 15 years of professional experience under his belt. Coming from Canopy Growth, his addition has been instrumental in streamlining the financial reporting, HR and human resource management processes, bolstering Functional's strengths.



# Disclaimer: Risk Factors

In evaluating the proposed investment in the Company, investors should carefully consider the following risk factors relating to the company. These risk factors are not a definitive list of all risk factors associated with the offering and the business of the Company. Additional risks and uncertainties, including those currently unknown or considered immaterial by the Company, may also adversely affect the shares and/or the business of the Company. The following are risk factors which investors should carefully consider before making an investment decision.

The Company is engaged in any of several governmental, provincial and local agencies. These governmental authorities may commence regulatory or enforcement actions which could restrict the permissible scope of the Company's ability to sell its products in the future.

**Risks Related to the Regulatory Environment**  
**Risks Associated with Numerous Laws and Regulations:** The production, labeling and distribution of the products that the Company proposes to distribute are regulated by various federal, provincial and local agencies. These governmental authorities may commence regulatory or enforcement actions, which could restrict the permissible scope of the Company's ability to sell its products in the future.

The Company may be subject to regulation by the U.S. Drug Enforcement Agency ("DEA") and other agencies as a result of the manufacture and sale of its CBD products. The strict compliance environment and the need to label and maintain robust systems for different regulations in multiple jurisdictions increases the possibility that the Company may violate one or more of the requirements. If the Company's operations are found to be in violation, of any of such laws or any other governmental regulations, the Company may be subject to penalties, including, without limitation, civil and criminal penalties, fines, damages, fines, the curtailment or restructuring of the Company's operations, any of which could adversely affect the Company's business and financial performance.

**Uncertainty Caused by Recent Changes to Regulatory Framework:** With the passing of the Agriculture Improvement Act of 2018 (the "2018 Farm Bill"), hemp has been permanently removed from the U.S. Controlled Substances Act ("CSA") and has been deemed an agricultural commodity, no longer mislabeled as a controlled substance. As a result, by redefining hemp to include its extracts, cannabinoids and derivatives, the United States Congress has removed popular hemp products – such as hemp-derived CBD – from the purview of the CSA. Accordingly, many believe the DEA no longer has any claim to interfere with the interstate commerce of hemp. Given the recent passage of the 2018 Farm Bill, it is unclear what impact this development will have on U.S. federal government enforcement policy, the hemp industry and the production and sale of hemp-derived products, including the products the Company is proposing to produce and sell. The hemp and CBD industries are new industries, subject to regulation, and there can be no assurance that it will grow, flourish or continue to the extent necessary to permit the Company to succeed.

**The Company is Subject to Applicable Anti-Money Laundering Laws and Regulations:** The Company is subject to a variety of laws and regulations that involve money laundering, financial reporting and proceeds of crime including that of: (i) Currency and Foreign Transactions Reporting Act of 1970 (commonly known as the Bank Secrecy Act), as amended by Title III of the Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism Act of 2001 (USA PATRIOT Act), the Proceeds of Crime (Money Laundering) and Terrorist Financing Act (Canada), as amended and the rules and regulations thereunder, and any related or similar rules, regulations or guidelines, issued, administered or enforced by governmental authorities in the United States and Canada.

In February 2014, the Financial Crimes Enforcement Network ("FCEN") of the U.S. Department of the Treasury issued a memorandum providing instructions to banks seeking to provide services to marijuana related businesses ("FCEN Memo"). The FCEN Memo states that in some circumstances, it may not be appropriate to provide banks that provide services to marijuana-related businesses for violations of federal money laundering laws. It refers to supplementary guidance that Deputy Attorney General Cole issued to federal prosecutors relating to the prosecution of money laundering offenses predicated on cannabis-related violations of the CSA. It is unclear at this time whether the current administration will follow the guidelines of the FCEN Memo.

If any of the Company's investments, or any proceeds thereof, any dividends or distributions therefrom, or any profits or revenues accruing from such investments in the United States were found to be in violation of money laundering legislation or otherwise, such transactions may be viewed as proceeds of crime under one or more of the laws that regulate and prohibit any other applicable legislation. This could restrict or otherwise jeopardize the ability of the Company to declare or pay dividends, effect other distributions or subsequently repatriate such funds back to Canada.

**Research and 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 regulation and regulation cannot be absorbed through increased selling prices for its products, the Company's sales and operating results could be adversely affected.

## Risks Generally Related to the Company

**Regulatory Environment:** The Company believes its industry is highly dependent upon consumer compliance regarding the safety, efficacy and quality of its products and perceptions of regulatory compliance. Consumer perception of the Company's products can be significantly influenced by regulatory investigations, litigation, media attention and other publicity. There can be no assurance that future regulatory proceedings, litigation, media attention or other news coverage or publicity will be favorable to the CBD market or any particular product, or consistent with earlier publicity. The Company's dependence on consumer perceptions means that adverse regulatory proceedings, litigation, media attention or other publicity, whether or not accurate or with merit, could have a material adverse effect on the Company, the demand for products, and the business, results of operations, financial condition and cash flows of the Company.

**Future adverse publicity affecting the safety, efficacy and quality of CBD products:** In general, the Company's products, specifically, or associating the consumption of CBD products with illness or other negative effects or events, could have such a material adverse effect. Consumers, vendors, landlords/lessors, industry partners or third-party service providers may incorrectly perceive hemp products as marijuana thereby approving the unfavorable stigma of marijuana to the Company's products. 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.

**Limited Operating History:** The Company has a limited operating history, which can make it difficult for investors to evaluate the Company's operations and results, and may impact the Company's ability to invest in the future. The Company's business and prospects must be considered in light of the risks, expenses and difficulties frequently encountered by companies in their early stage of development.

**Competition:** The markets for businesses in the CBD and hemp oil industries are competitive and evolving. In particular, the Company faces strong competition from both existing and emerging companies that offer similar products. Some of the current and potential competitors may have longer operating histories, greater financial, marketing and other resources and larger customer bases than the Company has. Given the rapid changes affecting the global, national, and regional economies generally and the CBD industry, in particular, the Company may not be able to create and maintain a competitive advantage in the marketplace. The Company's success will depend on its ability to establish a pace on the market and to develop a competitive edge in light of regulatory changes. Its success will depend on the Company's ability to respond to, among other things, changes in the economy, market conditions, and competitive pressures. Any failure by the Company to do so may have a material adverse effect on the Company's business and operating results.

**Future Acquisitions or Dispositions:** Material acquisitions, dispositions and other strategic transactions involve a number of risks, including: (i) potential disruption of the Company's ongoing business, (ii) reduction of management, (iii) the Company may become more financially leveraged, (iv) the anticipated benefits and cost savings of these transactions may not be realized fully or at all, or may take longer to realize than expected, (v) increased debt, (vi) increased complexity of the Company's operations, and (vii) loss of control over certain or certain of the Company's assets. Additionally, the Company may assume additional equity interests in connection with such transactions, which would dilute a shareholder's holdings in the Company.

The size of the Company's target market and investors will be reliant on their own estimates on the accuracy of market data. Because the Company's industry is in an early stage with uncertain boundaries, there is a lack of information about comparable companies available for

investors to rely in deciding about whether to invest in the Company and, if so, if any established companies whose business model the Company can emulate will whose success it can emulate. Accordingly, investors will have to rely on their own estimates in deciding about whether to invest in the Company. There can be no assurance that the Company's estimates will be accurate or that the market size is sufficiently large for its business to grow as projected, which may negatively impact its financial results.

**Research and Market Development:** Although the Company will be 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 will be sufficiently large to support the Company's business and operating results.

**Due to the early stage of the CBD industry, forecasts regarding the size of the industry and the sales of products by the Company is inherently subject to significant unreliability.** A failure in the demand for products to materialize as a result of competition, technological, Environmental Risk and Regulation: The operations of the Company are subject to environmental regulation. These regulations mandate, among things, the maintenance of air and water direct and indirect participation in the generation, transportation, storage and disposal of solid and hazardous wastes. Environmental legislation is evolving in a manner which will require stricter standards and enforcement, increased fines and penalties for non-compliance, more stringent environmental assessments of proposed projects and a heightened degree of responsibility for companies and their officers, directors (or the equivalent thereof) and employees. There is no assurance that future changes in environmental regulation, if any, will not adversely affect the operations of the Company.

**Operation Permits and Authorizations:** The Company may be required to obtain and maintain certain permits, licenses and approvals in the jurisdictions where its products are licensed. There can be no assurance that the Company will be able to obtain or maintain any necessary licenses, permits or approvals. Moreover, the Company and/or third-party suppliers of CBD hemp oil products could be required to obtain a CSA permit, which would likely not be a feasible option for retail products. Any material delay or inability to receive these items is likely to delay and/or inhibit the Company's ability to conduct its business, and would have an adverse effect on its business, financial condition and results of operations.

**Product Liability:** The Company may be subject to various product liability claims, including, among others, that its products caused injury or illness, include inadequate instructions for use or include inadequate warnings concerning possible side effects or interactions with other substances. A product liability claim or regulatory action against the Company could result in increased costs, could adversely affect the Company's reputation, and could have a material adverse effect on its business and operational results.

**Risks Inherent in an Agricultural Business:** The Company's business is dependent on the outdoor growth and production of hemp, an agricultural product. As such, the risks inherent in engaging in agricultural businesses apply. Potential risks include a strain of the weed, the risk that crops may become diseased or victim to insects or other pests and contamination, or subject to extreme weather conditions such as excess rainfall, freezing temperature, or drought. All of which could result in low crop yields, decreased availability of hemp, and higher acquisition prices. The Company's ability to obtain adequate (or any) insurance relating to the foregoing risks hemp Plant Specific Agricultural Risks: Hemp plants can be vulnerable to various pathogens including bacteria, fungi, viruses and other miscellaneous pathogens. Such instances often lead to reduced crop quality, stunted growth and/or death of the plant. Moreover, hemp is phytotherapeutic meaning that it may extract toxins or other undesirable chemicals or compounds from the ground in which it is planted. Various regulatory bodies have established maximum limits for pathogens, toxins, chemicals and other compounds that may be present in agricultural materials. If the Company's hemp is found to have levels of pathogens, toxins, chemicals and other undesirable compounds that exceed established limits, the Company may have to destroy the applicable portions of its hemp crop. Should the Company's crop be lost due to pathogens, toxins, chemicals or other undesirable compounds, it may have a material adverse effect on the Company's business and financial condition.

**Key Personnel:** The Company's success and future will depend, to a significant degree, on the continued efforts of its directors, officers and key employees, including certain technical individuals, and sales and marketing personnel, the retention of which cannot be guaranteed. The loss of key personnel could materially adversely affect the Company's operations and the operations 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 be in compliance with 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, then actions could have a significant impact on the business of the Company, 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 operation of the Company, any of which could have a material adverse effect on the business, financial condition, results of operations or prospects of the Company.

**Intellectual Property:** The success of the Company will depend, in part, on the ability of the Company to maintain and enhance trade secret protection over proprietary information and other intellectual property rights. The Company and its potential competitors may develop competing technology whether independently or as a result of acquiring access to the proprietary products and trade secrets of the Company. In addition, effective future patent, copyright and trade secret protection may be unavailable or limited in certain foreign countries and may be unenforceable under the laws of certain countries. The failure of the Company to adequately protect its intellectual property rights or its proprietary techniques and processes could have a material adverse effect on the Company's business, financial condition and operating results of the Company.

**Regulatory or Illegal Activity by Suppliers, Contractors and Consultants:** The Company is exposed to the risk that any of its employees, independent contractors and consultants may engage in illegal activity. Misconduct by these parties could include intentional or negligent conduct, fraud or negligent conduct or disclosure of unauthorized activities to the Company that violates, (i) government regulations, (ii) manufacturing standards, or (iii) laws that require the true, complete and accurate reporting of financial information or data. It may not always be possible for the Company to identify and deter such conduct by its employees and the procedures 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 be in compliance with 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, then actions could have a significant impact on the business of the Company, 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 operation of the Company, any of which could have a material adverse effect on the business, financial condition, results of operations or prospects of the Company.

**Availability of Adequate Crop Insurance:** The Company may not be able to obtain crop insurance at economically feasible rates, on acceptable terms or at all as a result of the failure of the market to develop adequate crop insurance that is suitable for hemp. The Company may be vulnerable to competing technology whether independently or as a result of acquiring access to the proprietary products and trade secrets of the Company. In addition, effective future patent, copyright and trade secret protection may be unavailable or limited in certain foreign countries and may be unenforceable under the laws of certain countries. The failure of the Company to adequately protect its intellectual property rights or its proprietary techniques and processes could have a material adverse effect on the Company's business, financial condition and operating results of the Company.

**Litigation:** The Company may become party to litigation from time to time in the ordinary course of business which could adversely affect its business, financial condition and operating results. The Company may also be involved in litigation in connection with its securities offerings and other matters. Such litigation may adversely affect the ability of the Company to continue operating and could use significant resources. Even if the Company is involved in litigation and wins, litigation can redirect significant resources.

**Operational Risks:** The Company may be affected by a number of operational risks and may not be adequately insured for certain risks, including: labor relations; catastrophic accidents; fires; blackouts or other acts of social activism; changes in the regulatory environment; impact of non-compliance with laws

and regulations; natural phenomena, such as inclement weather conditions, floods, earthquakes and ground movements. There is no assurance that the foregoing risks and hazards will not result in damage to, or destruction of, the Company's operations, grow facilities and extraction facilities, personal injury or death, environmental damage, or have an adverse impact on the Company's operations, costs, monetary losses, potential legal liability and adverse governmental action, any of which could have an adverse impact on the future cash flows, earnings and financial condition of the Company. The Company may be subject to litigation or other actions that may be costly or affect the Company's ability or sustain loss of its ability or sustain loss of the cost. This lack of insurance coverage could have an adverse impact on future cash flows, earnings, results of operations and financial condition of the Company.

**Difficulty Implementing Business Strategy:** The growth and expansion of the Company is heavily dependent upon the successful implementation of its business strategy. There can be no assurance that the Company will be successful in the implementation of its business strategy.

**Conflicts of Interest:** Certain of the Company's directors and officers are, and may continue to be, involved in other business ventures through their direct and indirect participation in corporations, partnerships, joint ventures, etc. that may have potential competitors of the technologies, products and services the Company intends to provide. Situations may arise where the other interests of these directors and officers conflict with or diverge from the Company's interests. Certain of such conflicts may be required to be disclosed in accordance with such procedure and remedies as applicable under applicable corporate law. However, such procedures and remedies do not fully protect the Company. In addition, in conflict of interest situations, the Company's directors and officers may owe the same duty to another company and will need to balance their competing interests with their duties to the Company. Circumstances (including with respect to future corporate opportunities) may arise that may be resolved in a manner that is unfavorable to the Company.

**Effect of General Economic and Political Conditions:** The business of the Company is subject to the impact of changes in national or North American economic conditions including, but not limited to, necessary or inflationary trends, equity market conditions, consumer credit availability, interest rates, consumer disposable income and spending levels, job security and unemployment, and overall consumer confidence. These economic conditions may be further affected by political events throughout the world that cause disruptions in the financial markets, either directly or indirectly. Adverse economic and political developments could have a material adverse effect on the business, financial condition, results of operations or prospects of the Company. Information Technology Systems and Cyber Security Risk

The Company's use of technology is critical in its continued operations. The Company is susceptible to operational, financial, real and information security risks resulting from cyber-attacks and/or technological malfunctions. Successful cyber-attacks and/or technological malfunctions affecting the Company or its service providers can result in, among other things, financial losses, the inability to process transactions, the unauthorized release of customer information or confidential information and reputational risk.

**Risks Related to the Offering**  
**Resale of Securities and Liquidity:** There is currently no market through which the securities of the Company may be sold and purchasers may not be able to resell those securities. There can be no assurance that an active and liquid market for securities of the Company will develop or be maintained. Dividends: Dividends of shares of the Company will not have a right to dividends on such shares unless declared by the Company's board of directors (the "Board"). The Company has not paid dividends in the past, and it is not anticipated that the Company will pay any dividends in the foreseeable future. Dividends paid by the Company would be subject to tax and, potentially, withholdings. The declaration of dividends is at the discretion of the Board, even if the Company has sufficient funds, net of its liabilities, to pay such dividends, and the declaration of any dividend will depend on the Company's financial results, cash requirements, future prospects and other factors deemed relevant by the Board.

**Dilution:** The Company may find it necessary in the future to obtain additional debt or equity financing to support ongoing operations, to undertake capital expenditures or to fund acquisitions or other business combination transactions. There can be no assurance that additional financing will be available to the Company when needed or on terms acceptable to the Company. The Company's inability to raise financing to support ongoing operations or to fund capital expenditures or acquisitions could limit the Company's growth and could have a material adverse effect on the Company's business, financial condition and results of operations. In addition, if additional funds are raised through issuances of equity or convertible debt securities, existing shareholders could suffer significant dilution, and any new equity securities issued could have rights, preferences and privileges superior to those of holders of common shares.

**Loss of Control:** The Loss of Control of the Company will have a negative consequence on the use of the net proceeds of the offering. Therefore, an investor will be relying on the judgment of management for the application of the net proceeds of the offering. Management has discretion to use the net proceeds of the offering in their discretion if they believe it would be in the Company's best interest to do so and in ways that an investor may not consider desirable. If the Company does not apply these funds efficiently it may adversely affect the operational results.

**Loss of Foreign Private Issuer Status:** The Company is a Foreign Private Issuer as defined in Rule 405 under the Securities Act and Rule 304 under the Exchange Act. If, as of the last business day of the Company's second fiscal quarter for any year, more than 50% of the Company's outstanding securities are directly or indirectly held by 40% of the Company, the Company will no longer meet the definition of a Foreign Private Issuer, which may have adverse consequences on the Company's ability to raise capital in private placements or Canadian prospectus offerings. In addition, the loss of the Company's Foreign Private Issuer status may likely result in increased reporting requirements and increased audit and administrative costs. These consequences may significantly affect the Company's business, financial condition and results of operations.

The term "Foreign Private Issuer" is defined as any non-U.S. corporation, other than a foreign government, except any issuer meeting the following conditions: (i) more than 50 percent of the outstanding voting securities of such issuer are, directly or indirectly, held of record by residents of the United States; and (ii) more than 50 percent of the following: (i) the majority of the executive officers or directors are United States citizens or residents, or (ii) more than 50 percent of the assets of the issuer are located in the United States; or (iii) the business of the issuer is administered principally in the United States. A "holder of record" is defined by Rule 12g2-1 under the Exchange Act. Generally speaking, the holder identified on the record of security holders is considered as the record holder.

**SEC's Compliance and Disclosure Interpretation (the "SEC") issues a Compliance and Disclosure Interpretation to clarify that issuers with multiple classes of voting stock carrying different voting rights may, for the purposes of calculating compliance with this threshold, examine either (i) the combined voting power of its share classes, or (ii) the number of voting securities, in each case held of record by U.S. residents. Based on this interpretation, each class of outstanding Class A common shares of the Company is counted as one voting security and each issued and outstanding common share of the Company is counted as one voting security for the purposes of determining the 50 percent U.S. resident threshold and the Company is a "Foreign Private Issuer."**

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**Anticipated Capital Structure and Voting Control:** The Company's capital structure and anticipated changes in respect of the Company and the concentration of voting control held by the holders of the Class A common shares of the Company, this structure and control could result in a lower market price for, or greater fluctuations in, the market price of the Company's common shares or adverse publicity to the Company or other adverse consequences.