**Wishpond Technologies Ltd.**
**Management's Discussion & Analysis**
**For the year ended December 31, 2019**

***All amounts herein are in Canadian dollars unless otherwise stated.***

## INTRODUCTION

This Management Discussion and Analysis of the results of operations, cash flows, and financial position ("MD&A) was prepared by Management of Wishpond Technologies Ltd. ("Wishpond" or "the Company") and approved by the Board of Directors of the Company ("the Board of Directors"). References in this MD&A to "Wishpond," the "Company", "us", "we", and "our" mean Wishpond Technologies Ltd. unless the context otherwise suggests.

This annual MD&A discusses material changes in the Company's financial condition, financial performance, and cash flows for the year ended December 31, 2019. Such discussion and comments on the Company's liquidity and capital resources should be read in conjunction with the Company's audited financial statements and related notes for the year ended December 31, 2019, which have been prepared in Canadian dollars using International Financial Reporting Standards ("IFRS").

Management is responsible for ensuring that processes are in place to provide sufficient knowledge to support the representations made in the annual filings. The Board of Directors provides an oversight role with respect to all public financial disclosures by the Company, and has reviewed this MD&A and the accompanying financial statements.

The Chief Executive Officer and Chief Financial Officer, in accordance with National Instrument 52-109 ("NI 52-109"), have both certified that they have reviewed the annual financial report and this MD&A (the "the Annual Filings") and that, based on their knowledge having exercised reasonable diligence, that (a) the Annual Filings do not contain any untrue statement of a material fact or omit to state a material fact required to be stated or that is necessary to make a statement not misleading in light of the circumstances under which it was made with respect to the period covered by the Annual Filings; and (b) the annual financial report together with the other financial information included in the Annual Filings fairly present in all material respects the financial condition, financial performance and cash flows of the Company, as of the date of and for the periods presented in the Annual Filings.

Investors should be aware of the inherent limitations of certifying officers of a venture issuer to design and implement, on a cost-effective basis, appropriate Disclosure Controls and Procedures and Internal Controls over Financial Reporting as defined in NI 52-109. Such limitations may result in additional risks to the quality, reliability, transparency, and timeliness of interim and annual filings and other reports provided under securities legislation.

## FORWARD-LOOKING STATEMENTS

Certain statements in this MD&A may constitute forward-looking statements, including those identified by the expressions such as "anticipate", "believe", "estimate", "expect", "foresee", "intend", "plan", or similar expressions to the extent that they relate to the Company or its management. The forward-looking statements are not historical facts but reflect the Company's current assumptions and expectations regarding future events. Forward-looking statements in this MD&A include but are not limited to statements regarding subscriber additions, the variability of the revenues going forward, anticipated market trends and technology adoption by customers and industry peers, anticipated growth in revenue and expenses, the potential impacts of additional expenditures on revenue growth rates, the sufficiency of cash on hand and the Company's ability to obtain financing necessary to continue operations. There can be no assurance that such statements will prove accurate, and actual results and future events may differ materially from those anticipated in such statements. These forward-looking statements are subject to a number of risks and uncertainties that could cause actual results or events to differ materially from current expectations and assumptions, including but not limited to the following: (i) there can be no assurance that the Company will earn any profits in the future or that profitability, if achieved, will be sustained; (ii) if the Company is not able to achieve profitability, it will require additional equity or debt financing, and there can be no assurances that the Company will be able to obtain additional financial resources on favourable commercial terms or at all; (iii) the Company's quarterly revenues and operating results may fluctuate, which may harm its results of operations; (iv) the loss of business from a major customer, or operator, could reduce the Company's sales and harm its business and prospects; (v) the market for software as a service is at a relatively early stage of development, and if it does not develop or develops more slowly than expected, the Company's business may be harmed; (vi) the Company faces competition from other software solution providers, which may reduce its market share or limit the prices it can charge for its software solutions; (vii) a global economic downturn or market volatility may adversely affect the business and/or its ability to complete new financings; (viii) the business of the Company may be harmed if it does not continue to penetrate markets; (ix) the success of the business depends on the Company's ability to develop new products and enhance its existing products; (x) the Company's growth depends in part on the success of its strategic relationships with third parties; (xi) the financial condition of third parties may adversely affect the Company; (xii) the US dollar may fluctuate significantly compared to the Canadian dollar, causing fluctuations in earnings and cash flow as most of the revenues are received in US dollars while most of the expenses are payable in Canadian dollars; (xiii) subscription services which produce the majority of the Company's revenue are hosted by a third party service for the Company and any interruption in service could harm its results of operations; (xiv) the Company may be liable to its customers or third parties if it is unable to collect data or it otherwise loses data; (xv) the Company may be liable for the handling of personal information; (xvi) intellectual property claims against the Company may be time consuming, costly to defend, and disruptive to the business; (xvii) the Company uses open source software in connection with its products which exposes it to uncertainty and potential liability; (xiii) economic uncertainty and downturns in the software market may lead to decreases in the Company's revenue and margins; (xix) any significant changes in the technological paradigm utilized for building or delivering applications in Smartphone devices could harm the Company's business and prospects; and (xx) if the Company loses any of its key personnel, its operations and business may suffer.

Please see the "Risks & Uncertainties" section in this document for a complete discussion of these and other risks. Readers are cautioned not to place undue reliance on forward-looking statements. Management undertakes no obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, except as required by applicable law.

**BUSINESS OVERVIEW:**

Wishpond is a provider of marketing focused online business solutions. The Company offers an "all-in-one" suite that provides companies with marketing, promotion, lead generation, and sales conversion capabilities. Wishpond replaces entire marketing functions in an easy to use platform, for a fraction of the cost while enabling its customers to manage all major aspects of their marketing function in a centralized platform. The Company provides proprietary cloud-based software for lead generation, marketing automation, and analytics, including landing pages, social promotions, website pop-ups, online forms, lead activity tracking, and email marketing, among others. Moreover, Wishpond provides a wide range of integrated marketing services, including campaign design and management, online advertising, search engine optimization, and landing page design, among others.

Wishpond serves over 2,000 customers who are primarily small-to-medium size businesses (SMBs) across various industries. Most customers are based in North America, with a growing presence in Europe and other continents. The Company charges its customers on a subscription-based SaaS model for software and services, which produce strong recurring revenues and cash flows.

Wishpond was founded in 2009 in Vancouver, British Columbia. The Company has approximately 90 employees and full-time contractors globally and its head office is located at Suite 1000 - 1500 West Georgia Street, Vancouver, BC.

**VALUE PROPOSITION: "Marketing Made Simple"**

Wishpond's vision is to become the leading provider of digital marketing solutions that empower entrepreneurs to achieve success online, regardless of their industry or size. With an increasing wave of consumers spending significant amounts of time surfing the web through all types of modern devices, businesses across several industries are following. Business owners have realized that adapting to modern technologies and trends is no longer an option but a necessity to survive and prosper long-term.

The transition into the online space comes with many challenges, especially for SMBs, who often lack the financial resources and expertise required to launch expensive and mass media driven marketing campaigns. While there are several tools and service providers available in the market, the lack of integration, low levels of transparency in the marketplace, and the prohibitive charges, make their use impractical and cumbersome. Hence, there is an increasing demand for cost-effective and user-friendly online marketing software, services, and strategies to enable SMBs to remain competitive in a rapidly evolving business environment.

Wishpond has spent years understanding the average SMB entrepreneur's challenges to design a suite of cloud-based applications and services developed with their challenges in mind. All the tools and services are designed to empower entrepreneurs to efficiently launch and manage professional marketing campaigns, obtain insights into customer behaviour and preferences, and generate a positive return on their marketing dollars. All for a fraction of the cost of what digital marketing agencies would charge for comparable solutions.

## CUSTOMERS

Wishpond serves over 2,000 customers, primarily SMBs across various industries, the main ones being e-commerce, marketing agencies, beauty, fitness, and design. In addition to SMBs, the platform is also used by several large blue-chip companies across North America. However, revenue from these companies is small relative to the revenue generated from SMBs.

Approximately 60% of customers are based in the United States, followed by Canada at 10%, Brazil at 6%, and Europe at 6%, with the balance spread among several other geographic regions. Wishpond's customer base is highly diversified, with low customer concentration and little economic dependence on individual customers.

## SALES ENGINE

Since 2017, Wishpond has focused on developing a sales engine that delivers predictable revenue and growth. For that purpose, management has developed a proprietary process that provides systematic lead generation and a targeted strategy for nurturing and converting them successfully. Since the implementation and refinement of the process, Wishpond has been generating consistent organic compound annual revenue growth of approximately 30% with minimal advertising spend.

Some of the verticals currently targeted by the outbound sales teams include e-commerce, fitness clubs, wellness centers, travel companies, and entertainment providers. Wishpond's sales cycle is relatively short, with the majority of deals closing in under twenty days. Therefore, the sales pipeline is continually being refilled.

In addition to the outbound sales team, Wishpond has an inbound sales team devoted to attracting, nurturing, and converting incoming leads from its website, blog, social media channels, webinars, etc.

## IMPACT OF COVID-19

The global outbreak of COVID-19 has created significant uncertainties in the business community due to restrictions put in place by governments around the world regarding travel, business operations, and isolation orders. At this time, it is unknown the extent of the impact the COVID-19 outbreak may have on the Company going forward as this will depend on future developments that are highly uncertain and that cannot be predicted with confidence. These uncertainties arise from the inability to predict the ultimate geographic spread of the disease, and the duration of the outbreak, including the duration of travel restrictions, business closures or disruptions, and quarantine/isolation measures that are currently or may be put in place by Canada and other countries to fight the virus.

Despite these economic risks and uncertainties, Wishpond continues to have ambitious growth targets and has access to the necessary financial, human, and technical resources to accelerate its growth trajectory over the upcoming months. COVID-19 has created challenges and pressures for companies without an online presence to quickly transition to an online business model to reach global customers with little dependence on physical sales. Such trends create favorable tailwinds for Wishpond to empower business owners to make a successful transition online while generating healthy returns on their marketing dollars.

In March 2020, the Company adopted a fully remote business model, and it is searching for a subtenant to take over the Vancouver office lease, which expires at the end of fiscal 2021. This transition will enable the Company to access strong talent globally and integrate them efficiently into its current systems and processes.

## BUSINESS OUTLOOK

Wishpond has three key areas of focus for the next 30 months:

1. **Organic revenue growth:** Wishpond's primary goal is to generate organic revenue growth driven primarily by expanding the Company's inbound and outbound sales engines, which historically have created recurring and predictable revenue growth. From January to September 2020, the Company has more than doubled its sales team's size and will continue to accelerate its hiring efforts over the subsequent months. By the end of fiscal 2021, the Company expects to double the size of the current sales team once again.

2. **Product development:** Wishpond has an ambitious product roadmap laid out for the following years, which will require significant development efforts and resources. The Company will be investing heavily in growing the development team to expedite the release of crucial features under its product strategy. On September 1, 2020, the Company hired an experienced Chief Technology Officer to execute this plan.

3. **Inorganic growth:** A significant motivator for Wishpond to go public is the potential to grow inorganically through tuck-in acquisitions of marketing technology companies and digital marketing agencies. In January 2020, the Company hired a Chief Financial Officer with a strong corporate finance and M&A background to lead corporate development efforts. Currently, the Company is holding conversations with potential acquisition targets to complete its first acquisition after the Qualifying Transaction (as such term is defined in Policy 2.4 – *Capital Pool Companies* of Corporate Finance Manual of the TSX Venture Exchange) with Antera Venture I Corp ("Antera").

## HIGHLIGHTS OF FISCAL 2019

Highlights for Fiscal 2019 include the following:

### *Product Development:*

- **Shopify integration:** Wishpond released a Shopify integration allowing merchants to track customer activities on their Shopify store and carry out targeted, personalized email campaigns to drive sales conversions.

- **Landing page builder ("Canvas"):** Wishpond began developing Canvas, one of the easiest to use drag-and-drop landing page builder in the industry, building upon all the customer feedback received from the original version launched in 2014. Canvas provides the ability for users to move and place content however they choose to quickly build, launch, and monitor the performance of professionally-looking landing pages. Canvas was successfully launched in Q1 2020 with very positive reviews to date.

***Operations:***

- **Transition from a marketing platform to an online business platform:** In 2019, Wishpond made a meaningful pivot by rebranding itself from a marketing platform to a fully fleshed online business platform giving businesses all the tools and services necessary to run their online business from a single place. The product roadmap for this enhanced platform includes a website builder, online payment and booking features, a customer management portal, workflow automation, visitor tracking, and robust analytics, among others. Integrating these tools into a single platform is intended to simplify the business owner's experience in running their business by having all of their lead generation, conversion, and sales analytics at their fingertips.

***Financial Developments:***

**Record sales and profitability:** Wishpond achieved an important milestone achieving record sales revenue of $6.1 million for the year ended December 31, 2019, representing 40% year-over-year growth, and becoming Adjusted EBITDA[1] positive (defined later in this document) for the first time in its operating history. This performance is primarily due to the continued rationalization of redundant costs and the realization of economies of scale.

*[1]Defined in the ADDITIONAL GAAP AND NON-GAAP MEASURES section in this document.*

**EVENTS SUBSEQUENT TO YEAR-END**

Refer to the *Management Discussion & Analysis* document for the six months ended June 30, 2020 for a complete discussion of the events subsequent to December 31, 2019.

## RESULTS OF OPERATIONS:

| | 12 months ended December 31, 2019<br>$ | 12 months ended December 31, 2018<br>$ |
|---|---|---|
| Revenue | 6,050,303 | 4,307,770 |
| Gross profit | 3,901,297 | 2,901,769 |
| Adjusted EBITDA[1] | 103,477 | (274,770) |
| Net increase in cash during the year | 121,266 | 40,334 |
| Cash - end of the year | 269,536 | 148,270 |

*[1]Defined in the ADDITIONAL GAAP AND NON-GAAP MEASURES section in this document.*

### Revenue

Wishpond's revenue is derived from the sale of rights to use its software and provision of digital marketing services. Substantially all of Wishpond's revenue is considered subscription-based recurring revenue. Wishpond's two main revenue streams consist of the following:

1. ***Software Subscription Revenues ("Self-serve"):*** subscription agreements provide customers the right to use Wishpond's suite of cloud-based marketing software. Pricing is based on a tiered system driven by features accessed and the number of leads generated. Customers have the option to subscribe on a monthly or annual basis. Software subscription revenues are recognized over the term of the related contracts.
2. ***Marketing Subscription Revenues ("Fully-managed"):*** customized professional marketing services are offered to customers on a subscription basis and include a combination of software solutions and "done-for-you" marketing services. Services typically include landing page design, contest campaigns, ad campaigns, SEO services, among others. The majority of marketing contracts are annual with a monthly billing cycle. Marketing subscription revenues are recognized over the term of the related contracts.

During fiscal 2019, Wishpond achieved revenues of $6,050,303 compared to $4,307,770 in fiscal 2018. This represents a compound annual revenue growth of 40%. The increase in revenue during fiscal 2019 was driven primarily by the following:

- **Inbound sales channel**: Continuous refinement of the inbound content marketing strategy, including marketing conferences, podcasts, webinars, video tutorials, blog posts, and speaking engagements, among others.

- **Outbound sales channel**: Incremental investment in the outbound sales team, additional sales professionals, and robust training and monitoring efforts. During fiscal 2019, Wishpond introduced a Sales Team Lead exclusively dedicated to training and incentivizing account executives, which has paid off well for the Company.

- **Upselling efforts**: Continued focus on up-selling customers from lower-value to higher-value plans. Such efforts consist primarily of transitioning customers from technology-only plans (i.e. Self-serve) to Fully-managed plans to help them achieve superior results through the help of Wishpond's professional digital marketing team.

The Company is not aware of seasonal factors causing variations in financial results between the quarters.

**Cost of Sales and Gross Margin**

The cost of sales primarily consists of hosting services, email infrastructure, direct labour related to the Fully-managed plans, and payment processing fees. Such costs are largely correlated with movement in revenue. During fiscal 2019, the Company maintained gross margins of 64%, slightly lower than the gross margin of 67% achieved in 2018. The decrease in gross margin year-over-year is primarily related to expansion in the Fully-managed revenue segment which requires incremental labour costs compared to the Self-serve segment.

**Notable Operating Expenses**

- **Subcontractor expenses:** The Company employs several full-time contractors primarily involved in supporting the outbound sales engine. Many of these subcontractors are based in jurisdictions outside of Canada. During fiscal 2019, the Company incurred $640,270 in subcontractor expenses compared to $365,169 in fiscal 2018. The increase is primarily attributable to the rise in the number of sales contractors hired during the year, consistent with the increase in sales achieved during the year and continuous refinements to their incentive plans.

- **Software subscriptions:** Consists of several software subscriptions used by employees of Wishpond in the ordinary course of business. During fiscal 2019, the Company incurred $304,916 in software subscriptions, compared to $318,061 in fiscal 2018.

- **Sales and marketing:** Sales and marketing expenses consist primarily of commissions and bonuses paid to sales development representatives and account executives involved in the lead generation, qualification, and sales closing process. These expenditures are positively correlated with sales of Fully-managed plans. The majority of self-serve deals are transacted directly through the website, and therefore, the Company does not incur commission expenses on those sales. Sales and marketing expenses increased from $641,861 in fiscal 2018 to $706,696 in fiscal 2019, consistent with the increase in Fully-managed sales and the hiring of several new commission-earning sales professionals.

- **Employee stock-based compensation:** The Company uses employee stock options as a means for employee compensation, retention, and incentives. During fiscal 2019, the Company incurred $93,544 in employee stock compensation, compared to $70,580 in fiscal 2018.

- **Foreign exchange gain (loss):** Foreign exchange gain (loss) relates primarily to the impact of the relative weakness of the Canadian dollar against the US dollar on the Company's Canadian denominated monetary assets and liabilities. The Company had a foreign exchange gain of approximately $18,814 in fiscal 2019 and a loss of approximately $83,444 in fiscal 2018 due to the effect on net Canadian monetary liabilities from the US dollar fluctuating in value compared to the Canadian dollar. The Company did not perform any foreign exchange hedging activities during these periods.

- **Interest expense:** The interest expense relates primarily to the interest on the lease obligation related to the Vancouver office lease, followed by interest in short-term financing. The interest expense was $43,097 in fiscal 2019, compared to $64,808 in fiscal 2018.

## RESEARCH AND DEVELOPMENT EXPENDITURES

Research and development ("R&D") expenses consist primarily of remuneration paid to engineer personnel and independent contractors. Development costs that meet the criteria under IAS 38 *Intangible Assets* are capitalized as deferred development costs. Deferred development costs have finite lives and are carried at cost less accumulated amortization and accumulated impairment losses. The deferred development costs are amortized on a straight-line basis over the estimated useful life of 10 years.

During fiscal 2019, the Company incurred $517,408 in development expenses, which were capitalized as deferred development costs, compared to $541,752 in fiscal 2018. During fiscal 2019, the Company amortized $123,048 compared to $104,244 in fiscal 2018.

The Company is entitled to certain Canadian federal and provincial tax incentives for qualified scientific research and experimental development ("SRED"). Investment tax credits related to development activities that meet the criteria under IAS 38 are offset against deferred development costs in the when there is reasonable assurance that such credits will be realized. Investment tax credits related to research activities are recorded as a reduction in the related expenditures when there is reasonable assurance that such credits will be realized.

## FINANCIAL LIQUIDITY

| | Year-ended December 31, 2019 $ | Year-ended December 31, 2018 $ |
|---|---|---|
| Net cash generated from (used in) operating activities | 419,080 | (78,790) |
| Net cash used in investing activities | (188,042) | (199,684) |
| Cash flow from financing activities | (109,772) | 318,808 |
| **Net increase in cash** | **121,266** | **40,334** |
| Cash - beginning of the year | 148,270 | 107,936 |
| **Cash - end of the year** | **269,536** | **148,270** |

**Cash position:** As of December 31, 2019, the Company had a net cash position of $269,536, compared to $148,270 as of December 31, 2018, and a credit facility with a major Canadian bank for $100,000, which remained fully available for use. The interest rate on the credit facility is based on RBP + 3.01% per annum with interest payable monthly. There are no covenants associated with this credit facility other than standard reporting requirements. Moreover, as of December 31, 2019, the Company had an investment tax credit recoverable in the amount of $329,363 which was collected in full in April 2020.

**Cash from operating activities:** During fiscal 2019, the Company had net positive cash flow from operations of $419,808, compared to net negative operating cash flows of $78,790 in fiscal 2018. The improvement is primarily due to year-over-year revenue growth of 40% at healthy gross margins of 64%, continuous rationalization of redundant expenses, and economies of scale achieved. During fiscal 2019, total operating expenses represented 71% of revenues, compared to 84% in fiscal 2018.

**Cash from investing activities:** During fiscal 2019, the Company had net negative cash from investing activities of $188,042 consisting of deferred development costs incurred. Comparatively, during fiscal 2018, the Company had net negative cash from investing activities of $199,684.

**Cash from financing activities:** During fiscal 2019, the Company had net negative cash from financing activities of $109,772 consisting primarily of shareholder loans of $189,558, offset by lease liability payments, repurchases of stock options and interest paid. Comparatively, during fiscal 2018, the Company had net positive cash from financing activities of $318,808 primarily driven by significant shareholder loan proceeds of $678,000.

**Net Working Capital:**

With the inclusion of the due to shareholder balance as a current liability, as of December 31, 2019, Wishpond had negative Net Working Capital of $5,833,491 compared to negative $5,468,926 as of December 31, 2018. The due to shareholder balance has been classified as a current liability due to the fact that in July 2020, Wishpond entered into a debt conversion agreement to convert the shareholder loan into common shares in the capital of the Company at a price per conversion share equal to the deemed price per common share in the capital of the Company as in the go-public transaction. Subsequent to the Proposed Transaction, the Company will have no further obligation in relation to this debt.

Excluding the due to shareholder balance, as of December 31, 2019, Wishpond had negative Net Working Capital of $1,335,522 relative to negative $1,160,515 as of December 31, 2018. This is primarily driven by a sizeable contract liability balance of $1,278,106 at the end of fiscal 2019 and $1,256,432 at the end of 2018, which is recognized into revenue over the life of individual customer contracts.

| | **Year-ended December 31, 2019 $** | **Year-ended December 31, 2018 $** |
|---|---|---|
| Cash | 269,536 | 148,270 |
| Accounts and other receivables | 164,289 | 175,129 |
| Current prepaid expenses | 2,088 | 1,902 |
| Investment tax credit recoverable | 329,362 | 342,068 |
| Accounts payables and accrued liabilities | (344,598) | (160,509) |
| Contract liability | (1,278,106) | (1,256,432) |
| Loan payable to employee | (50,000) | (50,000) |
| Current portion of lease liability | (282,649) | (279,765) |
| Other payables | (145,444) | (81,178) |
| **Net working capital (before due to shareholder balance)** | **(1,335,522)** | **(1,160,515)** |
| Due to shareholder | (4,497,969) | (4,308,411) |
| **Net Working Capital (after due to shareholder balance)** | **(5,833,491)** | **(5,468,926)** |

## CAPITAL RESOURCES

### Capital expenditures:

The Company is asset-light and does not have ongoing material capital expenditure requirements to operate the business. As of December 31, 2019, the Company did not have any material commitments for capital expenditures.

### Summary of outstanding shares and dilutive instruments:

As of December 31, 2019, the Company had 8,000,000 common shares, 40,000 common BB shares, and 1,638,000 stock options outstanding pursuant to the Company's 2014 Stock Option Plan. Of the outstanding options, 1,491,384 were vested and 146,616 remained unvested. Assuming that all of the outstanding options are vested and exercised, 9,678,000 common shares would be issued and outstanding on a fully diluted basis.

| | December 31, 2019 $ | December 31, 2018 $ |
|---|---|---|
| Common shares outstanding | 8,000,000 | 8,000,000 |
| Common BB shares outstanding | 40,000 | - |
| Stock options outstanding | 1,638,000 | 1,708,000 |
| Fully diluted common shares outstanding | 9,678,000 | 9,708,000 |

**RELATED PARTY TRANSACTIONS**

During the year ended December 31, 2019, 24,000 options (December 31, 2018 - 128,000) were granted to key management members as a means for compensation, retention, and incentives.

At December 31, 2019, a total of $4,497,969 (December 31, 2018 - $4,308,411) in loans payable are due to a shareholder of the Company. Since the inception of the Company, such shareholder has been the primary source of debt financing to the Company. Such loans are without interest, and there are no specified terms of repayment.

In November 2017, Wishpond received a loan from an officer of the Company for $50,000. The amount due was unsecured, bearing interest at 5.5% per year, and had no specified repayment terms. The loan was settled in full in January 2020.

**FINANCIAL INSTRUMENTS**

The Company's financial instruments consist of cash, accounts receivable, accounts payable and accrued liabilities, lease liability, long-term debt, loan payable to employees, and amounts due to shareholders. The recorded values of all of Wishpond's financial instruments, with the exception of the long-term debt, approximate their current fair values because of their short-term nature.

The fair value of the long-term debt due to BDC approximates its carrying value due to its market rate of interest. The amount due to shareholders is non-interest bearing, unsecured, and has no specified repayment terms.

As of December 31, 2019 and December 31, 2018, the Company's financial instruments are valued as follows:

| | December 31, 2019 $ | December 31, 2018 $ |
|---|---|---|
| Cash | 269,536 | 148,270 |
| Accounts receivable | 164,289 | 175,129 |
| Accounts payable and accrued liabilities | 344,598 | 160,509 |
| Loan payable to employees | 50,000 | 50,000 |
| Long-term debt | 56,550 | - |
| Due to shareholders | 4,497,969 | 4,308,411 |

**Risk management:**

Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The Company's credit risks relate to its cash and accounts receivable. The Company's cash is deposited with a Canadian chartered bank, and as a result, management believes the risk of loss on this item to be remote. Management believes that the credit risk on its accounts receivable is limited as the amounts are expected to be collected in the Company's next operating cycle.

Furthermore, the Company does not typically extend credit to its customers and customers are required to remit payment when invoices are provisioned. Moreover, customers are required to provide a pre-authorized method of payment upon entering into a service contract. If the customer fails to remit payment for a period exceeding 14 days, the Company puts services on hold until payment is received. As a result, the Company's historical bad debt is negligible.

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company's management believes its existing working capital coupled with the cash that will be generated from its operations coupled with additional financing activities will enable the Company to meet its financial obligations. Furthermore, the Company has a planning and budgeting process in place to help determine the funds required to support the Company's normal operating requirements on an ongoing basis.

As at December 31, 2019, the maturity analysis of financial liabilities represented the following (audited):

| | **< 1 Year** | **2 to 3 Years** | **4 to 5 Years** | **> 5 Years** | **Total** |
|---|---|---|---|---|---|
| | **$** | **$** | **$** | **$** | **$** |
| A/P and accrued liabilities | 344,598 | - | - | - | **344,598** |
| Lease liability | 282,649 | 267,041 | | | **549,690** |
| Bank indebtedness | 72,098 | - | - | - | **72,098** |
| Due to BDC | 2,030 | 22,560 | 22,560 | 9,400 | **56,550** |
| Loan payable to employee | 50,000 | - | - | - | **50,000** |
| Amounts due to shareholders | 4,497,969 | - | - | - | **4,497,969** |
| **Total** | **5,249,344** | 289,601 | 22,560 | 9,400 | **5,570,905** |

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company has cash and interest-bearing debt. Interest rate risk arises from interest received on cash and interest on debt, which is based on the BDC's floating base rate. The Company's interest rate risk is considered to be low.

Foreign currency risk

The Company's functional currency is the Canadian Dollar. As a significant portion of the Company's sales are to customers located in the United States and are thus incurred in US Dollars, the Company's exposure to foreign currency risk is moderate.

The following table provides a summary of the Company's exposure to the United States Dollar, expressed in Canadian Dollars:

As at December 2019, financial instruments were converted at a rate of US$1.00 to CAD$1.2988. Balances denominated in foreign currencies as at December 31, 2019 were as follows (audited):

| | **In USD** | **Converted to CAD** |
|---|---|---|
| | **$** | **$** |
| Cash | 110,468 | 143,475 |
| Accounts and other receivables | 118,903 | 154,432 |
| Accounts payable and accrued liabilities | 60,219 | 78,212 |
| Due to shareholder | 450,800 | 585,499 |
| Bank indebtedness/borrowing | 44,087 | 57,261 |

Based on the Company's foreign currency exposure noted above, a 5% appreciation of the USD would have a negative impact on profit of CAD$43,065 as at December 31, 2019 assuming all other variables remained constant.

A 5% depreciation of the USD would have an equal but opposite effect on the profit, assuming all other variables remained constant.

## OFF-BALANCE SHEET ARRANGEMENTS

The Company is not aware of any material off-balance sheet arrangements.

**PROPOSED TRANSACTIONS**

**Merger Agreement signed with Antera Ventures I Corp:** On September 10, 2020, Wishpond announced that it had entered into a binding merger agreement with Antera Ventures I Corp. ("Antera") in respect of completion of an arm's length reverse-takeover transaction of Wishpond by Antera (the "Proposed Transaction"), which will constitute the completion of Antera's Qualifying Transaction (as such term is defined in Policy 2.4 – *Capital Pool Companies* of Corporate Finance Manual of the TSX Venture Exchange ("the Exchange")). Subject to satisfaction or waiver of the conditions precedent referred to in the Merger Agreement, Antera and Wishpond anticipate that the Proposed Transaction will be completed no later than February 28, 2021.

The Proposed Transaction will result in Antera acquiring all of the issued and outstanding securities of Wishpond in exchange for the issuance of securities of Antera, which will result in Wishpond becoming a wholly-owned subsidiary of Antera; the existing shareholders of Wishpond will own a majority of the outstanding Antera common shares (after completion of the Proposed Transaction and Antera will be renamed "Wishpond Technologies Ltd." (the "Resulting Issuer") or such other name as Wishpond may determine. Upon completion of the Proposed Transaction, it is anticipated that the Resulting Issuer will be a Tier 2 technology issuer listed on the Exchange.

The Proposed Transaction is contemplated as an amalgamation under the *Business Corporations Act* (British Columbia) between 1264881 B.C. Ltd., a wholly-owned subsidiary of Antera, and Wishpond, and will constitute an arm's length Qualifying Transaction pursuant to the policies of the Exchange.

The completion of the Proposed Transaction is subject to the satisfaction of various conditions that are customary for a transaction of this nature, including but not limited to: (i) the completion of a concurrent brokered financing for gross proceeds of a minimum of $4,000,000 and a maximum of $4,666,666 Wishpond Subscription Receipts pursuant to the Agency Agreement; (ii) the approval by the directors of Antera and Wishpond of the Proposed Transaction; (iii) approval of the merger by the shareholders of Antera; and (iv) the receipt of all requisite regulatory, stock exchange, or governmental authorizations and consents, including the Exchange. Wishpond intends to use the net proceeds from the private placement for sales growth, product development, strategic acquisitions and general corporate purposes.

Wishpond intends to conduct, and it is a condition of the Proposed Transaction, for Wishpond to close a concurrent private placement for minimum aggregate gross proceeds of a minimum of $4,000,000 through the offering of securities of Wishpond to be sold at an issue price to be determined in the context of the market. Wishpond intends to use the net proceeds from the private placement for sales growth, product development, strategic acquisitions, and general corporate purposes.

Subject to the Proposed Transaction, Wishpond entered into a debt conversion agreement to convert the shareholder loan into common shares in the capital of the Company at a price per conversion share equal to the deemed price per common share in the capital of the Company as in the go-public transaction.

## ADDITIONAL GAAP AND NON-GAAP MEASURES

This MD&A makes reference to certain additional GAAP and non-GAAP financial measures. These measures are not recognized measures under IFRS, do not have a standardized meaning prescribed by IFRS and are therefore unlikely to be comparable to similar measures presented by other companies. Rather, these measures are provided as additional information to complement those IFRS measures by providing further understanding of the Company's results of operations from management's perspective. Accordingly, they should not be considered in isolation nor as a substitute for analysis of our financial information reported under IFRS. The Company uses Loss from Operations as an additional GAAP measure and uses non-GAAP financial measures, including Adjusted Earnings Before Interest, Tax and Amortization ("Adjusted EBITDA"), to provide investors with supplemental measures of its operating performance and to highlight trends in their core business that may not otherwise be apparent when relying solely on IFRS financial measures.

### Loss from Operations

The Company uses Loss from Operations as an additional GAAP financial measure within the financial statements and MD&A but it is not a defined term under IFRS to assess performance. Management believes that this measure provides useful supplemental information to investors and is computed consistently for each reporting period.

Loss from Operations is calculated as total revenues less total operating expenses derived from the Statement of Comprehensive Loss. This measure provides an indication of financial performance excluding the undernoted items such as foreign exchange, other income and expenditures (which typically include non-recurring transaction) and interest expense. As a result, management believes that this metric provides a clearer picture of the ongoing financial performance of the Company from operating activities. This non-GAAP metric is used by management to analyze operating performance, but it is not intended to represent an alternative to net earnings or other measures of financial performance in accordance with IFRS.

The following table summarizes the Company's Loss from Operations for fiscal 2019 and 2018:

| | **Year-ended December 31, 2019 $** | **Year-ended December 31, 2018 $** |
|---|---|---|
| Revenue | 6,050,303 | 4,307,770 |
| Cost of sales | 2,149,006 | 1,406,001 |

| | | |
|---|---|---|
| **Gross profit** | **3,901,297** | **2,091,769** |
| Operating expenses | 4,278,967 | 3,615,918 |
| **Loss from operations** | **(377,670)** | **(714,149)** |

## Adjusted EBITDA

Management uses Adjusted EBITDA as a supplemental measure of operating results and believes that this measure provides useful supplementary information to investors as it identifies and normalizes one-time, non-recurring income and expenses that may cloud the ongoing operating results of the Company. Moreover, management believes that this metric enables securities analysts, investors and other interested parties to perform a more objective valuation of the Company.

The Company achieved positive Adjusted EBITDA in fiscal 2019 of $103,477, relative to negative $274,770 in fiscal 2018. This is as a result of the revenue growth achieved during the year, healthy gross margins of 64%, and realized economies of scale.

| | **Year-ended December 31, 2019 $** | **Year-ended December 31, 2018 $** |
|---|---|---|
| Loss before income taxes | (428,298) | (1,026,615) |
| Depreciation and amortization | 387,603 | 368,799 |
| Interest expense | 43,097 | 64,808 |
| **EBITDA** | **2,402** | **(593,008)** |
| Foreign currency losses (gains) | (18,814) | 83,444 |
| Net other expenditures | 26,345 | 164,214 |
| Stock based compensation expense | 93,544 | 70,580 |
| **Adjusted EBITDA** | **103,477** | **(274,770)** |

## RISKS & UNCERTAINTIES:

The following risk factors are not a definitive list of all risk factors associated with the Company. Additional risks and uncertainties, including those currently unknown or considered immaterial by Wishpond, may also adversely affect Wishpond Shares and/or the business.

### *Forward-Looking Information May Prove Inaccurate*

Shareholders are cautioned not to place undue reliance on forward-looking information. By its nature, forward-looking information involves numerous assumptions, known and unknown risk and uncertainties, of both a general and specific nature, that could cause actual results to differ materially from those suggested by the forward-looking information or contribute to the possibility that predictions, forecasts or projections will prove to be materially inaccurate.

Readers should carefully consider the risk factors set out in this MD&A in conjunction with the Company's audited financial statements and consider all other information contained herein before making an investment decision. If any of the risks described above materialize, the business, financial condition or results of operations of the Parties could be materially and adversely affected. Additional risks and uncertainties not currently known to or currently seen as immaterial by management of Wishpond may also materially and adversely affect the business, financial condition or results of operations of the Parties.

Following the completion of the Qualifying Transaction, Wishpond may issue equity securities to finance its activities. If Wishpond were to issue additional equity securities, the ownership interest of existing Resulting Issuer shareholders may be diluted and some or all of Wishpond's financial measures on a per share basis could be reduced. Moreover, as Wishpond's intention to issue additional equity securities becomes publicly known, Wishpond's share price may be materially adversely affected.

Wishpond's officers and directors will control a large percentage of Wishpond's issued and outstanding Company shares and such officers and directors may have the ability to control matters affecting Wishpond and its business.

From time to time the directors and executive officers of Wishpond may sell Resulting Issuer shares on the open market. These sales will be publicly disclosed in filings made with securities regulators. In the future, the directors and executive officers of Wishpond may sell a significant number of Resulting Issuer shares for a variety of reasons unrelated to the performance of Wishpond's business. The shareholders of Wishpond may perceive these sales as a reflection on management's view of the business and result in some shareholders selling their Resulting Issuer shares. These sales could cause the market price of Wishpond Shares to drop.

### *Reliance on New Product and Service Offerings*

The success of the business of Wishpond is dependent upon its ability to develop new software products or features and enhance existing marketing services. To keep pace with technological developments, satisfy increasingly sophisticated customer requirements and achieve market acceptance, Wishpond must enhance and improve existing software products and must also continue to introduce new features and services. If Wishpond is unable to successfully develop new products or enhance and improve existing products or it fails to position and/or price its products to meet market demand, the business and operating results of Wishpond will be adversely affected. Any new products or features could require long development and testing periods and may not be introduced in a timely manner or may not achieve the broad market acceptance necessary to generate significant revenue. There are factors which may prevent Wishpond from the realization of growth targets.

### *Being a Public Company May Increase Price Volatility*

In the event the Qualifying Transaction is completed, Wishpond's status as a reporting issuer may increase price volatility due to various factors, including the ability to buy or sell Resulting Issuer shares, different market conditions in different capital markets and different trading volumes. In addition, low trading volume may increase the price volatility of Wishpond Shares. The increased price volatility could adversely affect the results of operations or financial condition.

### *The Requirements of Being a Public Resulting Issuer May Strain Wishpond's Resources*

In the event the Qualifying Transaction is completed, Wishpond will continue Wishpond's current business activities. As a reporting issuer, Wishpond, and its business activities, will be subject to the reporting requirements of applicable securities legislation of the jurisdiction in which it is a reporting issuer, the listing requirements of the exchange on which it would be listed and other applicable securities rules and regulations. Compliance with those rules and regulations will increase Wishpond's legal and financial costs as compared to Wishpond's current activities making some activities more difficult, time consuming or costly and increase demand on its systems and resources.

### *Third Party Licenses*

Wishpond may license software from third parties. The loss of rights to use this software could increase operating expenses and could adversely affect Wishpond's ability to compete. Wishpond may license certain technologies used in its products from third parties, generally on a non-exclusive basis. The termination of any of these licenses, or the failure of the licensors to adequately maintain or update their products, could delay Wishpond's ability to ship its products, as Wishpond may need to seek to implement alternative technology offered by other sources. This may require unplanned investments by Wishpond. In addition, alternative technology may not be available on commercially reasonable terms. In the future, it may be necessary or desirable to obtain other third-party technology licenses relating to one or more products or relating to current or future technologies to enhance Wishpond's product offerings. There is a risk that Wishpond will not be able to obtain licensing rights to the needed technology on commercially reasonable terms, if at all.

### *Risks Inherent in Strategic Alliances*

Wishpond may enter into strategic alliances with third parties that it believes will complement or augment its existing business. Wishpond's ability to complete strategic alliances is dependent upon, and may be limited by, the availability of suitable candidates and capital. In addition, strategic alliances could present unforeseen integration obstacles or costs, may not enhance Wishpond's business, and may involve risks that could adversely affect Wishpond, including significant amounts of management time that may be diverted from operations to pursue and complete such transactions or maintain such strategic alliances. Future strategic alliances could result in the incurrence of additional debt, costs and contingent liabilities, and there can be no assurance that future strategic alliances will achieve the expected benefits to Wishpond's business or that Wishpond will be able to consummate future strategic alliances on satisfactory terms, or at all.

### *Competition*

The industry in which Wishpond operates is highly competitive and competition could intensify, or any technological advantages held by Wishpond may be reduced or lost, as a result of technological advances by its competitors.

If Wishpond does not compete effectively with these competitors, its revenue may not grow. Wishpond has experienced competition from a number of marketing software companies and digital marketing agencies, and expects continued competition in the future. Wishpond's competitors may announce new products, services or enhancements that better meet the needs of customers or changing industry standards. Increased competition may cause price reductions, reduced gross margins and reduced growth in sales, any of which could have a material adverse effect on the business, results of operations and financial condition of Wishpond. Wishpond faces substantial competition from established competitors, many of which may have greater financial, engineering and marketing resources than it does. Many of these companies also have a larger customer base, have longer operating histories or have greater name recognition than Wishpond does. There can be no assurance that Wishpond will successfully differentiate its current and proposed products from the products of its competitors, or that the marketplace will consider the products of Wishpond, to be superior to competing products. Because of the industry in which Wishpond operates, Wishpond expects to face additional competition from new entrants. To maintain Wishpond's competitive position, it is believed that Wishpond will be required to continue to invest in engineering, research and development, marketing and customer service and support. There can be no assurance that Wishpond will have sufficient resources to continue to make these investments, that it will be able to make the technological advances necessary to maintain its competitive position, or that its products will receive market acceptance. Wishpond's competitors may be able to respond more quickly to changes in customer requirements and devote greater resources to the enhancement, promotion and sale of their products. Wishpond may not be able to compete successfully in the future, and increased competition may result in price reductions, reduced profit margins, loss of market share and an inability to generate cash flows that are sufficient to maintain or expand its development of new products.

### *Dependence on Key Management Personnel*

The success of Wishpond is dependent upon the ability, expertise, judgment, discretion and good faith of its senior management as well as certain consultants (the "Key Personnel"). Wishpond's future success depends on its continuing ability to attract, develop, motivate, and retain the Key Personnel. Qualified individuals for Key Personnel positions are in high demand, and Wishpond may incur significant costs to attract and retain them. The loss of the services of Key Personnel, or an inability to attract other suitably qualified persons when needed, could have a Material Adverse Effect on Wishpond's ability to execute on its business plan and strategy, and Wishpond may be unable to find adequate replacements on a timely basis, or at all. While employment and consulting agreements are customarily used as a primary method of retaining the services of Key Personnel, these agreements cannot assure the continued services of such individuals and consultants.

### *Conflicts of Interest*

Wishpond may be subject to various potential conflicts of interest because of the fact that some of its officers, directors and consultants may be engaged in a range of business activities. Wishpond's executive officers, directors and consultants may devote time to their outside business interests, so long as such activities do not materially or adversely interfere with their duties to Wishpond. In some cases, Wishpond's executive officers, directors and consultants may have fiduciary obligations associated with these business interests that interfere with their ability to devote time to Wishpond's business and affairs and that could adversely affect Wishpond's operations. These business interests could require significant time and attention of Wishpond's executive officers, directors and consultants.

In addition, Wishpond may also become involved in other transactions which conflict with the interests of its directors, officers and consultants who may from time to time deal with persons, firms, institutions or corporations with which Wishpond may be dealing, or which may be seeking investments similar to those desired by it. The interests of these persons could conflict with those of Wishpond. In addition, from time to time, these persons may be competing with Wishpond for available investment opportunities. Conflicts of interest, if any, will be subject to the procedures and remedies provided under applicable laws. In particular, in the event that such a conflict of interest arises at a meeting of Wishpond's directors, a director who has such a conflict will abstain from voting for or against the approval of such participation or such terms. In accordance with applicable laws, the directors of Wishpond are required to act honestly, in good faith and in the best interests of Wishpond.

### *Fraudulent or Illegal Activity by Employees, Contractors and Consultants*

Wishpond may be 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 Wishpond that violates: (a) government regulations; (b) federal and provincial healthcare fraud and abuse laws and regulations; or (c) laws that require the true, complete and accurate reporting of financial information or data. It may not always be possible for Wishpond to identify and deter such misconduct by its employees and other third parties, and the precautions taken by Wishpond to detect and prevent this activity may not be effective in controlling unknown or unmanaged risks or losses or in protecting Wishpond 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 Wishpond, and it is not successful in defending itself or asserting its rights, such actions could have a significant impact on Wishpond's 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 Resulting Issuer's operations, any of which could have a Material Adverse Effect on Wishpond's business, financial condition, results of operations or prospects.

### *Technological Errors*

Errors in Wishpond products could result in significant costs to Wishpond and could impair its ability to sell its products. Wishpond products are complex and, accordingly, they may contain errors, or "bugs", that could be detected at any point in their product life cycle. The reputation of Wishpond could be materially and adversely affected by errors in the products. These errors could result insignificant costs to Wishpond, delay planned release dates and impair the ability to sell products in the future. The costs incurred in correcting any product errors may be substantial and could adversely affect operating margins. While Wishpond plans to continually test its products for errors and work with customers through maintenance support services to identify and correct bugs, errors in the products may be found in the future.

### *Internal Controls*

Effective internal controls are necessary for Wishpond to provide reliable financial reports and to help prevent fraud. Although Wishpond will undertake a number of procedures and will implement a number of safeguards in order to help ensure the reliability of its financial reports, including those imposed on Wishpond under applicable law, in each case Wishpond cannot be certain that such measures will ensure that Wishpond maintains adequate control over financial processes and reporting. Failure to implement required new or improved controls, or difficulties encountered in their implementation, could harm Wishpond's results of operations or cause it to fail to meet its reporting obligations. If Wishpond or its auditors discover a material weakness, the disclosure of that fact, even if quickly remedied, could reduce the market's confidence in Wishpond's consolidated financial statements and could result in a Material Adverse Effect.

### *General Economic Risks*

Wishpond's operations could be affected by the economic context should interest rates, inflation or the unemployment level reach levels that influence consumer trends and spending and, consequently, impact Wishpond's sales and profitability.

Any investors should further consider, among other factors, Wishpond's prospects for success in light of the risks and uncertainties encountered by companies that, like Wishpond, are in their early stages. For example, unanticipated expenses and problems or technical difficulties may occur, which may result in material delays in the operation of Wishpond's business. Wishpond may not successfully address these risks and uncertainties or successfully implement its operating strategies. If Wishpond fails to do so, it could materially harm Wishpond's business to the point of having to cease operations and could impair the value of Wishpond's securities.

### *Uncertainty of Use of Proceeds*

Although Wishpond has set out its intended use of proceeds, these intended uses are estimates only and subject to change. While management does not contemplate any material variation, management does retain broad discretion in the application of such proceeds. The failure by Wishpond to apply these funds effectively could have a material adverse effect on Wishpond's business, including Wishpond's ability to achieve its stated business objectives.

Failure to successfully integrate acquired businesses, its products and other assets into Wishpond, or if integrated, failure to further Wishpond's business strategy, may result in Wishpond's inability to realize any benefit from such acquisition.

Wishpond may grow by acquiring businesses. The consummation and integration of any acquired business, product or other assets into Wishpond may be complex and time consuming and, if such businesses and assets are not successfully integrated, Wishpond may not achieve the anticipated benefits, cost-savings or growth opportunities. Furthermore, these acquisitions and other arrangements, even if successfully integrated, may fail to further Wishpond's business strategy as anticipated, expose Wishpond to increased competition or other challenges with respect to Wishpond's products or geographic markets, and expose Wishpond to additional liabilities associated with an acquired business, technology or other asset or arrangement.

### *Liquidity and Additional Financing*

There is no guarantee that Wishpond will be able to achieve its business objectives. The continued development of Wishpond may require additional financing. The failure to raise such capital could result in the delay or indefinite postponement of current business objectives or Wishpond going out of business. There can be no assurance that additional capital or other types of financing will be available if needed or that, if available, the terms of such financing will be favourable to Wishpond. If additional funds are raised through issuances of equity or convertible debt securities, existing shareholders could suffer significant dilution. In addition, from time to time, Wishpond may enter into transactions to acquire assets or the shares of other corporations. These transactions may be financed wholly or partially with debt, which may temporarily increase Wishpond's debt levels above industry standards. Any debt financing secured in the future could involve restrictive covenants relating to capital raising activities and other financial and operational matters, which may make it more difficult for Wishpond to obtain additional capital and to pursue business opportunities, including potential acquisitions. Wishpond may require additional financing to fund its operations to the point where it is generating positive cash flows. Negative cash flow may restrict Wishpond's ability to pursue its business objectives.

### *Difficulty to Forecast*

Wishpond must rely largely on its own market research to forecast sales as detailed forecasts are not generally obtainable from other sources. A failure in the demand for its products to materialize as a result of competition, technological change or other factors could have a Material Adverse Effect on the business, results of operations and financial condition of Wishpond and Wishpond.

### *The Market Price of Wishpond Shares may be subject to Wide Price Fluctuations*

The market price of Wishpond Shares may be subject to wide fluctuations in response to many factors, including variations in the operating results of Wishpond and its subsidiaries, divergence in financial results from analysts' expectations, changes in earnings estimates by stock market analysts, changes in the business prospects for Wishpond and its subsidiaries, general economic conditions, legislative changes, and other events and factors outside of Wishpond's control. In addition, stock markets have from time to time experienced extreme price and volume fluctuations, which, as well as general economic and political conditions, could adversely affect the market price for Wishpond Shares.

### *Management of Growth*

Wishpond may be subject to growth-related risks. The ability of Wishpond to manage growth effectively will require it to continue to implement and improve its operational and financial systems and to expand, train and manage its employee base. The inability of Wishpond to deal with this growth may have a Material Adverse Effect on Wishpond's business, financial condition, results of operations and growth prospects.

### There is no assurance that Wishpond will turn a profit or generate immediate revenues

There is no assurance as to whether Wishpond will be profitable or continue to be profitable, or pay dividends. Wishpond has incurred and anticipates that it will continue to incur substantial expenses relating to the development of its business. The payment and amount of any future dividends will depend upon, among other things, Wishpond's results of operations, cash flow, financial condition, and operating and capital requirements. There is no assurance that future dividends will be paid, and, if dividends are paid, there is no assurance with respect to the amount of any such dividends.

### *Equity Price Risk*

Wishpond may be exposed to equity price risk as a result of holding long-term investments in other companies. Just as investing in Wishpond is inherent with risks such as those set out in this MD&A, by investing in these other companies, Wishpond may be exposed to the risks associated with owning equity securities and those risks inherent in the investee companies.

### *Anti-Money Laundering Laws and Regulation Risks*

Wishpond is subject to a variety of laws and regulations domestically and internationally that concern money laundering, financial recordkeeping and proceeds of crime, including the Proceeds of Crime (Money Laundering) and Terrorist Financing Act (Canada), as amended and the rules and regulations thereunder, the Criminal Code (Canada) and any related or similar rules, regulations or guidelines, issued, administered or enforced by governmental authorities internationally.

In the event that any of Wishpond's proceeds, any dividends or distributions therefrom, or any profits or revenues accruing from operations 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 statutes noted above or any other applicable legislation. This could restrict or otherwise jeopardize the ability of Wishpond to declare or pay dividends, effect other distributions or subsequently repatriate such funds back to Canada.

***Regulation***

Wishpond is subject to general business regulations and laws as well as regulations and laws specifically governing collection of information and the internet. Existing and future laws and regulations may impede Wishpond's growth strategies. These regulations and laws may cover taxation, privacy, data protection, pricing, content, copyrights, distribution, consumer protection, web services, websites, and the characteristics and quality of products and services. Unfavourable changes in regulations and laws could decrease demand for Wishpond's digital media properties and inventory and increase its cost of doing business or otherwise have a material adverse effect on Wishpond's reputation, popularity, results of operations, and financial condition. The requirements of being a public company may strain Wishpond's resources, divert management's attention and affect its ability to attract and retain executive management and qualified board members.

As a reporting issuer, Wishpond will be subject to the reporting requirements of applicable securities legislation of the jurisdiction in which it is a reporting issuer, the listing requirements of the TSXV and other applicable securities rules and regulations. Compliance with these rules and regulations will increase Wishpond's legal and financial compliance costs, make some activities more difficult, time consuming or costly and increase demand on its systems and resources. Applicable securities laws require Wishpond to, among other things, file certain annual and quarterly reports with respect to its business and results of operations. In addition, applicable securities laws require Wishpond to, among other things, maintain effective disclosure controls and procedures and internal control over financial reporting. In order to maintain and, if required, improve its disclosure controls and procedures and internal control over financial reporting to meet this standard, significant resources and management oversight may be required. Specifically, due to the increasing complexity of its transactions, it is anticipated that Wishpond will improve its disclosure controls and procedures and internal control over financial reporting primarily through the continued development and implementation of formal policies, improved processes and documentation procedures, as well as the continued sourcing of additional finance resources. As a result, management's attention may be diverted from other business concerns, which could harm Wishpond's business and results of operations. To comply with these requirements, Wishpond may need to hire more employees in the future or engage outside consultants, which will increase its costs and expenses.

In addition, changing laws, regulations and standards relating to corporate governance and public disclosure are creating uncertainty for public companies, increasing legal and financial compliance costs and making some activities more time consuming. These laws, regulations and standards are subject to varying interpretations, in many cases due to their lack of specificity, and, as a result, their application in practice may evolve over time as new guidance is provided by regulatory and governing bodies. This could result in continuing uncertainty regarding compliance matters and higher costs necessitated by ongoing revisions to disclosure and governance practices. Wishpond intends to continue to invest resources to comply with evolving laws, regulations and standards, and this investment may result in increased general and administrative expenses and a diversion of management's time and attention from revenue generating activities to compliance activities. If its efforts to comply with new laws, regulations and standards differ from the activities intended by regulatory or governing bodies due to ambiguities related to their application and practice, regulatory authorities may initiate legal proceedings against Wishpond and Wishpond's business may be adversely affected.

As a public company subject to these rules and regulations, Wishpond may find it more expensive for it to obtain director and officer liability insurance, and it may be required to accept reduced coverage or incur substantially higher costs to obtain coverage. These factors could also make it more difficult for Wishpond to attract and retain qualified members of its board of directors, particularly to serve on its audit committee and compensation committee, and qualified executive officers. As a result of disclosure of information in filings required of a public company, Wishpond's business and financial condition will become more visible, which may result in threatened or actual litigation, including by competitors and other third parties. If such claims are successful, Wishpond's business and results of operations could be harmed, and even if the claims do not result in litigation or are resolved in its favor, these claims, and the time and resources necessary to resolve them, could divert the resources of Wishpond's management and harm its business and results of operations.

***Unknown Defects and Impairments***

A defect in any business arrangement may arise to defeat or impair the claim of Wishpond to such transaction, which may have a Material Adverse Effect on Wishpond. It is possible that material changes could occur that may adversely affect management's estimate of the recoverable amount for any agreement Wishpond enters into. Impairment estimates, based on applicable key assumptions and sensitivity analysis, will be based on management's best knowledge of the amounts, events or actions at such time, and the actual future outcomes may differ from any estimates that are provided by Wishpond. Any impairment charges on Wishpond's carrying value of business arrangements could have a Material Adverse Effect on Wishpond.

***Challenging Global Financial Conditions***

Global financial conditions, particularly in light of the recent COVID-19 pandemic, have been characterized by increased volatility, with numerous financial institutions having either gone into bankruptcy or having to be rescued by government authorities. Global financial conditions could suddenly and rapidly destabilize in response to future events, as government authorities may have limited resources to respond to future crises. Global capital markets have continued to display increased volatility in response to global events. Future crises may be precipitated by any number of causes, including natural disasters, geopolitical instability, changes to energy prices or sovereign defaults. Any sudden or rapid destabilization of global economic conditions could negatively impact the ability of Wishpond, or the ability of the operators of the companies in which Wishpond will hold interests, to obtain equity or debt financing or make other suitable arrangements to finance their projects. If increased levels of volatility continue or in the event of a rapid destabilization of global economic conditions, it may result in a Material Adverse Effect on Wishpond and the price of Wishpond's securities could be adversely affected.

***Credit and Liquidity Risk***

Wishpond will be exposed to counterparty risks and liquidity risks including, but not limited to:

- through suppliers of Wishpond which may experience financial, operational or other difficulties, including insolvency, which could limit or suspend those suppliers' ability to perform their obligations under agreements with Wishpond;
- through financial institutions that may hold Wishpond's cash and cash equivalents;
- through companies that will have payables to Wishpond;
- through Wishpond's insurance providers; and
- through Wishpond's lenders, if any.

Wishpond will also be exposed to liquidity risks in meeting its operating expenditure requirements in instances where cash positions are unable to be maintained or appropriate financing is unavailable. These factors may impact the ability of Wishpond to obtain loans and other credit facilities in the future and, if obtained, on terms favourable to Wishpond. If these risks materialize, Wishpond's operations could be adversely impacted and the price of Wishpond Shares could be adversely affected.

***Litigation***

Wishpond may from time to time be involved in various claims, legal proceedings and disputes arising in the ordinary course of business. If Wishpond is unable to resolve these disputes favourably, it may have a material adverse effect on Wishpond. Even if Wishpond is involved in litigation and wins, litigation can redirect significant Resulting Issuer resources. Litigation may also create a negative perception of Wishpond. Securities litigation could result in substantial costs and damages and divert Wishpond's management's attention and resources. Any decision resulting from any such litigation that is adverse to Wishpond could have a negative impact on Wishpond's financial position.

***Cybersecurity Risks***

The information systems of Wishpond and any third-party service providers and vendors, are vulnerable to an increasing threat of continually evolving cybersecurity risks. These risks may take the form of malware, computer viruses, cyber threats, extortion, employee error, malfeasance, system errors or other types of risks, and may occur from inside or outside of the respective organizations. Cybersecurity risk is increasingly difficult to identify and quantify and cannot be fully mitigated because of the rapid evolving nature of the threats, targets and consequences. Additionally, unauthorized parties may attempt to gain access to these systems through fraud or other means of deceiving third-party service providers, employees or vendors. The operations of Wishpond depend, in part, on how well networks, equipment, IT systems and software are protected against damage from a number of threats. These 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. However, if Wishpond is unable or delayed in maintaining, upgrading or replacing IT systems and software, the risk of a cybersecurity incident could materially increase. Any of these and other events could result in information system failures, delays and/or increases 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 reputation and results of operations of Wishpond.

***Security***

Wishpond cannot guarantee absolute protection against unauthorized attempts to access its IT systems, including malicious third party applications or denial of service attacks that may interfere with or exploit security flaws in its digital media properties. Viruses, worms, and other malicious software programs could jeopardize the security of information stored in a user's computer or in Wishpond's computer systems or attempt to change the internet experience of users by interfering with Wishpond's ability to connect with a user. If any compromise to Wishpond's security measures were to occur and Wishpond's efforts to combat this breach were unsuccessful, Wishpond's reputation may be harmed leading to an adverse effect on Wishpond's financial condition and future prospects.

### *Dividend Policy*

The declaration, timing, amount and payment of dividends are at the discretion of Wishpond's board of directors and will depend upon Wishpond's future earnings, cash flows, acquisition capital requirements and financial condition, and other relevant factors. There can be no assurance that Wishpond will declare a dividend on a quarterly, annual or other basis.

### *Customer Acquisitions*

Wishpond's success depends, in part, on Wishpond's ability to attract and retain customers. There are many factors which could impact Wishpond's ability to attract and retain customers, including but not limited to the successful implementation of marketing plans and the continued growth in the aggregate number of customers. The failure to acquire and retain customers would have a Material Adverse Effect on Wishpond's business, operating results and financial condition.

### *Constraints on Marketing Products*

The development of Wishpond's businesses and operating results may be hindered by applicable restrictions on marketing technology products or digital marketing services. The Canadian federal regulatory regime requires plain packaging of products, and has further prohibitions with respect to marketing, including prohibitions on testimonials, lifestyle branding and packaging that is appealing to youth.

The regulatory environment in Canada and abroad limits Wishpond's ability to compete for market share in a manner similar to other industries. If Wishpond 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, Wishpond's sales and operating results could be adversely affected, which could have a materially adverse effect on Wishpond's business, financial condition and operating results.

### *Intellectual Property*

The ownership and protection of trademarks, patents, trade secrets and intellectual property rights brought in from the acquisition of Wishpond are significant aspects of Wishpond's future success. Unauthorized parties may attempt to replicate or otherwise obtain and use Wishpond's products and technology. Policing the unauthorized use of Wishpond's current or future trademarks, patents, trade secrets or intellectual property rights could be difficult, expensive, time-consuming and unpredictable, as may be enforcing these rights against unauthorized use by others. In addition, in any infringement proceeding, some or all of the trademarks, patents or other intellectual property rights or other proprietary know-how, or arrangements or agreements seeking to protect the same may be found invalid, unenforceable, anti-competitive or not infringed. An adverse result in any litigation or defense proceedings could put one or more of the trademarks, patents or other intellectual property rights at risk of being invalidated or interpreted narrowly and could put existing intellectual property applications at risk of not being issued. Any or all of these events could materially and adversely affect the business, financial condition and results of operations of Wishpond.

In addition, other parties may claim that Wishpond's products infringe on their proprietary and perhaps patent protected rights. Such claims, whether or not meritorious, may result in the expenditure of significant financial and managerial resources, legal fees, result in injunctions, temporary restraining orders and/or require the payment of damages. As well, Wishpond may need to obtain licences from third parties who allege that Wishpond has infringed on their lawful rights. However, such licences may not be available on terms acceptable to Wishpond or at all. In addition, Wishpond may not be able to obtain or utilize on terms that are favorable to it, or at all, licences or other rights with respect to intellectual property that it does not own.

### *Foreign Exchange*

Wishpond is exposed to foreign currency risk by reason of Wishpond operating in the United States. As Wishpond Common Shares are traded in Canadian dollars, the movement of the US dollar against the Canadian dollar could have a material adverse effect on Wishpond's prospects, business, financial condition, and results of operation.