




Factsheet 2023

TSXV: AUTO





A SaaS automotive financing companion, delivering an experience that bridges the gap between consumers, dealers, and lenders in a mutually **symbiotic relationship**.



FOCUSED GROWTH

VISION.

- Carbeeza is a technology company working to innovate, enhance and improve all aspects of the consumer finance process across all industries.
- We plan to expand to overseas automotive markets and to broaden our scope to other market segments.
- We plan to establish business relations with nearly all 4,000 Canadian and 18,000 US franchise dealers by late 2025.

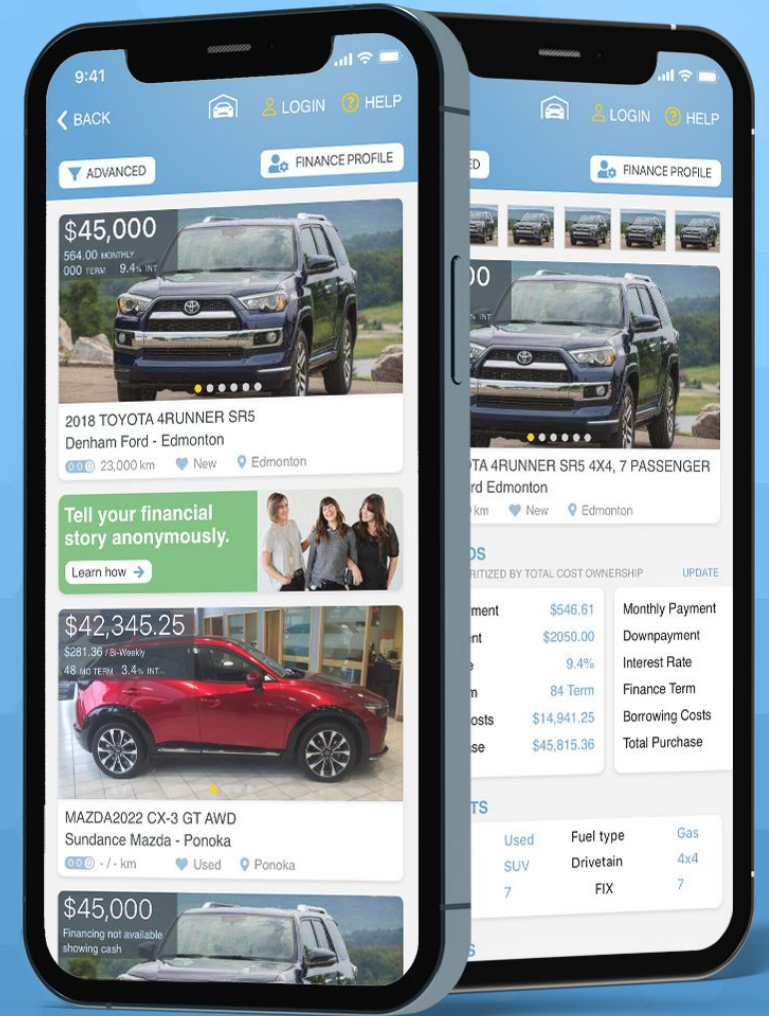




METHODOLOGY

THE WHAT

Carbeeza is an innovative digital automotive marketplace that uses the power of proprietary AI to match consumers to vehicles they qualify for financing on in a transparent, anonymous and uncluttered environment.





METHODOLOGY

HOW IT WORKS.

With the assistance of AI and mountains of data, the consumer anonymously interrogates vehicles of interest that are personalized and curated for their needs, preference, and financial capacity. The consumer can then complete their analysis and decide to acquire a vehicle with accompanying financing.





METHODOLOGY

ANONYMOUS AND FREE.

The consumer is empowered with the ability to conduct anonymous research without any fees, advertising, or gimmicks. The platform is also free for dealers to use until a completed bonafide transaction occurs.





A NOVEL APPROACH

GOLD STANDARD.

Carbeeza is empowering the digital-first automotive consumer through a single source of trustworthy information for both consumers and dealers.

We focus not only on the path to revenue but also on controlling costs to leverage efficiency and profitability.

The team prioritizes the success of the business, and they use the latest enterprise technology development platforms to constantly innovate new products.





SUCCESS-BASED FORMULA

BUILT FOR SUCCESS.

Sandro Torrieri, Carbeeza's CEO, has learned from his past experiences and believes that the key to a successful venture is:

- Attracting exceptionally talented individuals that exemplify unparalleled capabilities.
- Empowering the team with the freedom to create, innovate and iterate.
- Ensuring multiple revenue streams.
- Running the SaaS business as lean as possible and build and deploy automation and machine learning in all aspects of the business.
- Staying focused on the original target without compromise or interference.

Sandro's former company Invidi followed similar guiding principles resulting in a Technical Emmy and a favorable exit to AT&T consortium.





TEAM

ONLY THE BEST.

- Sandro Torrieri, founder and CEO has over 30 years of experience as a hardware and software tech entrepreneur & has been involved in numerous successful tech ventures.
- Nick Samaha, co-founder, and subject matter expert, is an automotive industry veteran.
- Michael Dunham is the VP of product development, providing world-class guidance for brand recognition, Michael is an outstanding architect responsible for the wizardry and infrastructure underpinnings.
- Sandro believes there is a 1 to 1 correlation between the quality of individuals and the quality of the company; the higher quality of the individuals, the higher quality of the company. Sandro believes success can only occur with talent, desire, and teamwork.





ABOVE BOARD.

Sandro Torrieri

Sandro is a serial tech entrepreneur. In the mid 80's he shifted his focus away from engineering and into the hi-tech sector. By the early 90's he was already establishing a number of tech ventures inline with the industry thinking of the day. By the mid 90's he established an incubator / lab, whose sole purpose was to overcome the barriers of science and foster liberal thinking. Intellectuals were welcome to freely challenge the conventional technology dogma of the day. The incubator produced more than fair share of failures, however at times intermixed with moments of sheer brilliance. The evolutions of new concepts and ideas went on to become the basis for his latest start-ups.

Over the years, some of the more memorable technologies included Cyberfence (Altavista), Voyageur, Invidi, and iDeal to name a few. In September 2022, Carbeeza was the latest software to be released from the highly successful incubator.

It was also the first time that Sandro has ventured into the public markets. As a creator, he participated in inventions, patents, and was a recipient of a prestigious Emmy award.

Sandro continues to invest in start-ups both locally and abroad and is a vehement advocate for Edmonton's Tech community. He takes significant pride in mentoring promising young entrepreneurs whenever time permits. Born and raised in Edmonton, he has been happily married since 1982, has one daughter and is known to be an auto enthusiast.

Evan Baptie

Evan Baptie is a senior member of the TELUS Corporation Pension Fund, a \$10 billion CAD pension plan. He is one of three investment professionals managing \$1.8 billion of alternative investments, including Private Equity, Infrastructure and Private Credit. Evan oversees all aspects of the investment process and is also involved in plan risk management, economic analysis and asset allocation. He is also a member of the investment committee of the Edmonton Community Foundation – a \$560 million endowment.

Prior to joining TELUS Pension Investments in 2015, he spent 7 years in Finance Operations in positions of increasing responsibility. Evan earned his MBA from the University of Alberta in 2014 and is a CFA Charter holder.



ABOVE BOARD.

Niel Hiscox

Neil is a Toronto-based entrepreneur with over 25 years' experience in marketing, advertising, media and communications. Niel's experience includes research and consulting, content creation and distribution across print and digital platforms in both consumer and business-to-business applications. In particular, Niel has delivered leadership and strategic direction for businesses that leverages technology to create growth.

In 2010, Niel started Universus Media Group Inc., a marketing agency specialized in the automotive industry. He is a frequent speaker and panel moderator at automotive industry events. In 2016, Universus expanded, becoming the Canadian provider of the Myadbox marketing automation platform.

Universus expanded in 2021 with the launch of subsidiary Clarify Group Inc. Clarify Group combines research and consulting with innovative technologies to bring insight and solutions to business challenges across the automotive and mobility ecosystem. Clarify is particularly focused on the transition to EV-based mobility.

Niel served as the leader (2004-2010) of CLB Media Inc., one of Canada's largest business-to-business media companies, and is a founding member of KPMG's Digital Strategies consulting practice. He has held a variety of directorships for both Canadian and US organizations.

Maria Nathanail

Maria is a corporate lawyer focused on corporate finance, capital markets and securities regulation, and business and corporate commercial law. She represents public and private clients in domestic and international transactions, including:

- public offerings
- mergers and acquisitions
- reverse takeovers
- debt and equity financings
- private placements
- corporate reorganizations
- corporate structuring

She also handles compliance with corporate and securities regulatory requirements relating to stock exchange listings, corporate governance, continuous disclosure obligations and shareholders' meetings.

Maria has acted as corporate secretary and a member of the board of directors of several public and private companies, including start-up companies, and in a variety of sectors and industries, including technology, oil and gas exploration and production and services, and land development and construction. Some of her most recent directorships include Silver Mountain Mines Inc. (TSXV - SMM), Carbeeza (TSXV:AUTO), Mikisew Group of Companies, Conformii, USD Metals Corp. and CellarMaker Imports Ltd.



ABOVE BOARD.

Dr. Ibrahim Gedeon

Dr. Ibrahim Gedeon has built a career in telecommunications by combining insight and skill as an applied scientist with a collaborative approach to leadership. As Chief Technology Officer for TELUS, a leading telecommunications company in Canada, he is responsible for innovation, technology development and strategy. Under Ibrahim's leadership, the TELUS broadband network has been independently awarded as one of the best in the world. He is deeply passionate about advancing social capital and purpose, as well as diversity & inclusion. At TELUS, he acts as executive sponsor for frequent Women in STEM events across the organization.

Ibrahim serves on the boards of the Digital Identification and Authentication Council of Canada, the Next Generation Mobile Networks Alliance, the Alliance for Telecommunications Industry Solutions and the Institute for Communication Technology Management. In addition to his industry leadership roles, Ibrahim is a Fellow of both the IEEE and the Canadian Academy of Engineering, recognition for significant contributions to the field of engineering. Ibrahim was recently named as one of Canada's Best Executives by the Globe & Mail's Report on Business Magazine (May 2022).

Ibrahim holds a Bachelor's degree in Electrical Engineering from the American University of Beirut, a Master's in Electronics Engineering from Carleton University and an Honorary Doctor of Laws degree from the University of British Columbia. He is passionate about supporting high-performing teams to innovate and move technology forward.



INVESTED IN SUCCESS

LOCKED AND LOADED.

- 2017, Sandro incubated and invested nearly **\$5M** to kick-start Carbeeza.
- In May 2022, he invested **\$2M** in a convertible debenture.
- In November 2022, Sandro purchased over **600,000** shares on the open public market.
- In February 2023, Carbeeza completed a subscription raise of **\$1.25M**, of which Sandro led.
- Sandro receives a \$1 salary. He has requested increased options in place of salary.





CONSUMER FUNCTIONALITY.

FUNCTIONALITY CONSUMERS WANT	CARBEEZA	AUTOTRADER	CARS.COM	CARGURUS	VROOM	CARVANA	CARMAX
Who Sells the Vehicle to You	Light Green	Light Green	Light Green	Light Green	Light Green	Light Green	Light Green
New Vehicles Inventory Available	Light Green	Light Green	Light Green	Light Green	Light Red	Light Red	Light Red
Used Vehicles Inventory Available	Light Green	Light Green	Light Green	Light Green	Light Red	Light Red	Light Red
Private Vehicle Inventory	Light Green	Light Green	Light Green	Light Green	Light Red	Light Red	Light Red
Vehicles Curated to Consumers' Needs and Budget	Light Green	Light Red	Light Red	Light Red	Light Red	Light Red	Light Red
AI & ML Built -in-Functionality	Light Green	Light Red	Light Red	Light Red	Light Red	Light Red	Light Red
Consumer & Dealer Transparent Data Exchange	Light Green	Light Red	Light Red	Light Red	Light Red	Light Red	Light Red
Pre-Qualification Provided to Consumers	Light Green	Light Red	Light Red	Light Red	Light Red	Light Red	Light Red
All-Inclusive Instant Financing	Light Green	Light Red	Light Red	Light Red	Light Red	Light Red	Light Red
Instant True Trade-in Valuation	Light Green	Light Red	Light Red	Light Red	Light Red	Light Red	Light Red
Number of lenders available to the company	∞	2	0	3	12*	2	9



DEALER COMPARISON.

DEALER FUNCTIONALITY	CARBEEZA	AUTOTRADER	CARS.COM	CARGURUS	VROOM	CARVANA	CARMAX
Free Inventory Hosting	Yes	Yes	Yes	Yes	Yes	Yes	Yes
AI-Powered	Yes	Yes	Yes	Yes	No	No	No
Pre-Qualified Consumer Lead Offering	Yes	Yes	Yes	Yes	No	No	No
Optional Fraud Detection & Credit Verification	Yes	Yes	Yes	Yes	No	No	No
Optimized Deal Structure	Yes	No	No	No	No	No	No
Powerful Financial Consumer Insights	Yes	No	No	No	No	No	No
Dealer F&I Support	Yes	No	No	No	No	No	No
Dealer-Controlled F&I Process	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Autonomous Attendant	Yes	No	No	No	No	No	No
Dealer Only Pays Carbeeza (when Car is Sold)	Yes	No	No	No	No	No	No



TACTICAL DOMINATION

ADVANTAGE.

- We strive to constantly improve and evolve the core platform and develop new tools for dealer partners.
- Our tools expand our advertising reach without additional costs and allows dealers to convert consumers from any source.
- Our UltraLead tool transforms typical, poor-producing leads from 3rd party lead generation sources into fully structured, pre-qualified deals.
- We believe that multiple subscription and base platform enhancements will continue to expand and strengthen dealer profits and consumer experiences.





BUSINESS MODEL

HOW WE MAKE MONEY.

- Carbeeza is anonymous and free to consumers without any disruptive advertising or gimmicks.
- The dealer pays Carbeeza **USD \$450** upon a completed transaction, representing a low-cost sales model.
- We believe a collection of dealer subscription tools will provide extensive functionality, tremendous value, and impressive earning potential for Carbeeza.
- We plan to pursue opportunities with organizations that would benefit from a Carbeeza white-label program (i.e., OEM manufacturers, Canadian Tire, Costco, and Walmart).





BUSINESS MODEL

INCREDIBLE REVENUE OPPORTUNITY.

- Carbeeza generates revenue by providing dealers bonafide sales leads and an upcoming suite of subscription tools.
- \$450 revenue per transaction through completed marketplace deals.

As An Example, .5% (50 Basis Points) Of The North American Market Generates Over **\$61m** EBITDA. That Represents An Incredible **80.9% Gross Profit**.

Revenue projections are based on management estimates, actual revenue may vary from this Forward-Looking Information. Please see page 20 of this Factsheet for important information concerning Forward-Looking Information.



WHY NOW?

- Automotive retailers have been unable to find solutions that would allow them to efficiently do business with a digital-first consumer, and to their satisfaction.
- OEMs/Manufactures are now selling into a digital first market and dealers need to find ways to replace that missing revenue.
- We are currently preparing for a US launch to penetrate a market 10 times larger, Canada was simply a proving ground.
- Every credit-based industry experiences some form of inefficiency in their financing process and Carbeeza is the solution to streamline those processes.



LET'S CHAT!

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CARBEEZA FACTSHEET.

DEFINITIONS.

- “Financial Outlook” means forward-looking information about prospective financial performance, financial position or cash flows that is based on assumptions about future economic conditions and courses of action and that is not presented in the format of a historical statement of financial position, statement of comprehensive income or statement of cash flows;
- “FOFI”, or “future-oriented financial information”, means forward-looking information about prospective financial performance, financial position or cash flows, based on assumptions about future economic conditions and courses of action, and presented in the format of a historical statement of financial position, statement of comprehensive income or statement of cash flows;
- “Forward-Looking Information” means disclosure regarding possible events, conditions or financial performance that is based on assumptions about future economic conditions and courses of action and includes future-oriented financial information with respect to prospective financial performance, financial position or cash flows that is presented as a forecast or a projection.

The Corporation may be negatively impacted by the COVID-19 outbreak.

In December 2019, the 2019 novel coronavirus (COVID-19) surfaced in Wuhan, China. The World Health Organization declared a global emergency on January 30, 2020 with respect to the outbreak then characterized it as a pandemic on March 11, 2020. The outbreak has spread throughout Europe and the Middle East and there have been cases of COVID-19 in Canada and the United States, causing companies and various international jurisdictions to impose restrictions, such as quarantines, closures, cancellations and travel restrictions. While these effects are expected to be temporary, the duration of the business disruptions internationally and related financial impact cannot be reasonably estimated at this time. Similarly, we cannot estimate whether or to what extent this outbreak and potential financial impact may extend to countries outside of those currently impacted. At this point, the extent to which the coronavirus may impact our results is uncertain, however, it is possible that our consolidated results in 2020 may be negatively impacted by this event. The impacts of the outbreak are unknown and rapidly evolving.

A local, regional, national or international outbreak of a contagious disease, including, but not limited to, COVID-19, Middle East Respiratory Syndrome, Severe Acute Respiratory Syndrome, H1N1 influenza virus, avian flu or any other similar illness, or a fear of any of the foregoing, could adversely impact us by causing operating, manufacturing supply chain, and project development delays and disruptions, labour shortages, travel and shipping disruption and shutdowns (including as a result of government regulation and prevention measures). If we are unable to mitigate the impacts of the COVID-19 outbreak on our operations, we may be unable to fulfill our product delivery obligations to customers, our costs may increase, and our revenue and margins could decrease. It is unknown whether and how the Company may be affected if such an epidemic persists for an extended period of time. A widespread health crisis could adversely affect the global economy, resulting in an economic downturn that could impact demand for our products.

Although the company does not conduct business with China and its services are primarily offered in the cyberspace, market disruptions can affect the Company as it may incur expenses or delays relating to such events outside of our control, which could have a material adverse impact on our business, operating results and financial condition.

The future impact of the outbreak is highly uncertain and cannot be predicted, and there is no assurance that the outbreak will not have a material adverse impact on the future results of the Company. The extent of the impact, if any, will depend on future developments, including actions taken to contain COVID-19.



This presentation contains forecasts, projections, goals, plans, and other forward-looking statements regarding the Company's financial results and other data. Such forward-looking statements are based on the Company's assumptions, estimates, outlook, and other judgments made in light of information available at the time of preparation of such statements and involve both known and unknown risks and uncertainties. Slides containing such information contain the "Forward-looking Information" statement. Accordingly, plans, goals, and other statements may not be realized as described, and actual financial results, success/failure or progress of development, and other projections may differ materially from those presented herein. Even when subsequent changes in conditions or other circumstances make it preferable to update or revise forecasts, plans, or other forward-looking statements, the Company disclaims any obligation to update or revise this presentation.

DISCLAIMER

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FORWARD-LOOKING STATEMENTS

Certain statements in this presentation are "forward-looking statements". Any statements that express or involve discussions with respect to predictions, expectations, beliefs, plans, projections, objectives, assumptions or future events or performance (often, but not always using words or phrases such as "expect", "seek", "endeavour", "anticipate", "plan", "estimate", "believe", "intend", or stating that certain actions, events or results may, could, would, might or will occur or be taken, or achieved) are not statements of historical fact and may be forward-looking statements. Forward-looking statements are based on expectations, estimates and projections at the time the statements are made and involve significant known and unknown risks, uncertainties and assumptions which would cause actual results or events to differ materially from those presently anticipated. A number of factors could cause actual results, performance or achievements to be materially different from any future results, performance or achievements that may be expressed or implied by such forward-looking statements. Should one or more of these risks or uncertainties materialize, or should assumptions underlying the forward-looking statements prove incorrect, actual results, performance or achievements could vary materially from those expressed or implied by the forward-looking statements contained in this document. Investors should not place undue reliance on these forward-looking statements. Although the forward-looking statements contained in this document are based upon what management of Carbeeza currently believes to be reasonable assumptions, Carbeeza cannot assure prospective investors that actual results, performance or achievements will be consistent with these forward-looking statements. Except as required by law, Carbeeza does not have any obligation to advise any person if it becomes aware of any inaccuracy in or omission from any forward-looking statement, nor does it intend, or assume any obligation, to update or revise these forward-looking statements to reflect new events or circumstances.

FUTURE ORIENTED FINANCIAL INFORMATION

To the extent any forward-looking information in this presentation constitutes "future-oriented financial information" or "financial outlooks" within the meaning of applicable Canadian securities laws, such information is being provided to demonstrate the anticipated market penetration and the reader is cautioned that this information may not be appropriate for any other purpose and the reader should not place undue reliance on such future-oriented financial information and financial outlooks. Future-oriented financial information and financial outlooks, as with forward-looking information generally, are, without limitation, based on the assumptions and subject to the risks set out above under the heading "Forward-Looking Statements". The Company's actual financial position and results of operations may differ materially from management's current expectations and, as a result, the Company's revenue and expenses may differ materially from the revenue and expenses profiles provided in this presentation. Such information is presented for illustrative purposes only and may not be an indication of the Company's actual financial position or results of operations.

MARKET RESEARCH AND PUBLIC DATA

This presentation also contains or references certain market, industry and peer group data which is based upon information from independent industry publications, market research, analyst reports and surveys and other publicly available sources. Although the Company believe these sources to be generally reliable, such information is subject to interpretation and cannot be verified with complete certainty due to limits on the availability and reliability of raw data, the voluntary nature of the data gathering process and other inherent limitations and uncertainties. The Company has not independently verified any of the data from third party sources referred to in this presentation and accordingly, the accuracy and completeness of such data is not guaranteed. This document is confidential and is being provided to you solely for your information and may not be reproduced, in whole or in part, in any form or forwarded or further distributed to any other person. Any forwarding, distribution or reproduction of this document, in whole or in part, is unauthorized.

RESALE RESTRICTIONS

The securities are being offered on a private placement basis in reliance upon prospectus or registration exemptions under applicable securities legislation. Resale of the securities offered will be subject to restrictions under applicable securities legislation, which will vary depending on the relevant jurisdiction.

CONFIDENTIALITY

By accepting and reviewing this document, you acknowledge and agree (i) to maintain the confidentiality of this document and the information contained herein, (ii) to protect such information in the same manner you protect your own confidential information, which shall be at least a reasonable standard of care and (iii) to not utilize any of the information contained herein except to assist with your evaluation of the Company.

CAUTIONARY NOTE TO UNITED STATES INVESTORS

This presentation does not constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of securities of the Company in any jurisdiction in which an offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of such jurisdiction. The securities of the Company described herein have not been and will not be registered under the United States federal or state securities laws and may not be offered or sold in the United States, or to, or for the account or benefit of, "U.S. Persons" as such term is defined in Regulation S under the United States Securities Act of 1933, as amended, unless an exemption from registration is available.



When used herein, references to the “Company” refers to Carbeeza Inc. or any affiliate thereof. References to “Common Shares” include common shares in the capital of Carbeeza Inc. and any securities convertible or exchangeable into Common Shares.

An investment in the Common Shares is speculative due to the Company’s present stage of development and certain other factors. There are a number of risk factors that could cause the Company’s results to differ materially from those described in this presentation.

The following sets forth certain risks and uncertainties that could have a material adverse effect on the Company’s business, financial condition and results of operations and the value of the Common Shares, which could decline, and investors may lose all or part of their investment. Additional risks and uncertainties of which the Company currently is unaware or that are unknown or that the Company currently deems to be immaterial could have a material adverse effect on the Company’s business, financial condition and results of operations. The Company cannot assure you that it will successfully address any or all of these risks. The risks described below describe certain currently known material risk factors, any of which could have a material adverse effect on the Company’s business, financial condition and results of operations.

EACH PURCHASER SHOULD SEEK LEGAL AND TAX ADVICE, BASED ON SUCH PURCHASER’S PARTICULAR CIRCUMSTANCES, FROM INDEPENDENT LEGAL AND TAX ADVISORS.

RISK FACTORS

Limited Operating History

The Company does not have a history of profitability. The Company is therefore subject to many of the risks common to early-stage enterprises, including under-capitalization, cash shortages, limitations with respect to personnel, financial, and other resources and lack of revenues. There is no assurance that the Company will be successful in achieving a return on shareholders’ investment and the likelihood of success must be considered in light of the early stage of operations.

The Company’s and Operations

As a relatively niche industry, there are not many established players whose business model the Company can follow or build on the success of. Similarly, there is limited information about comparable companies available for potential investors to review in making a decision about whether to invest in the Company.

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

Reliance on Management

Success of the Company will be dependent upon the ability, expertise, judgment, discretion and good faith of its senior management and key personnel. While employment agreements are customarily used as a primary method of retaining the services of key employees, these agreements cannot assure the continued services of such employees. Any loss of the services of such individuals could have a material adverse effect on the Company’s business, operating results or financial condition.

Insurance and Uninsured Risk

The Company’s business is subject to a number of risks and hazards generally, including accidents, labour disputes and changes in the regulatory environment. Such occurrences could result in damage to assets, personal injury or death, environmental damage, delays in operations, monetary losses and possible legal liability.

Although the Company intends to continue to maintain insurance to protect against certain risks in such amounts as it considers to be reasonable, its insurance will not cover all the potential risks associated with its operations. The Company may also be unable to maintain insurance to cover these risks at economically feasible premiums. Insurance coverage may not continue to be available or may not be adequate to cover any resulting liability.

Difficulty to Forecast

The Company 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 services 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 the Company.

Management of Growth

The Company may be subject to growth-related risks including capacity constraints and pressure on its internal systems and controls. The ability of the Company 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 the Company to deal with this growth may have a material adverse effect on the Company’s business, financial condition, results of operations and prospects.

Internal Controls

Effective internal controls are necessary for the Company to provide reliable financial reports and to help prevent fraud. Although the Company will undertake a number of procedures and will implement a number of safeguards, in each case, in order to help ensure the reliability of its financial reports, the Company cannot be certain that such measures will ensure that the Company will maintain adequate control over financial processes and reporting. Failure to implement required new or improved controls, or difficulties encountered in their implementation, could harm the Company’s results of operations or cause it to fail to meet its reporting obligations. If the Company or its auditors discover a material weakness, the disclosure of that fact, even if quickly remedied, could reduce the market’s confidence in the Company’s consolidated financial statements and materially adversely affect the trading price of the Common Shares.

Litigation

The Company may become party to litigation from time to time in the ordinary course of business which could adversely affect its business. Should any litigation in which the Company becomes involved be determined against the Company such a decision could adversely affect the Company’s ability to continue operating and the market price for the Common Shares and could use significant resources. Even if the Company is involved in litigation can redirect significant resources of the Company and may nonetheless have resulted in adverse public or consumer perception of the Company and its business and products.

Intellectual Property Risks

The Company may have certain proprietary intellectual property, including but not limited to brands, trademarks, trade names, patents and proprietary processes. The Company will rely on this intellectual property, know-how and other proprietary information, and require employees, consultants and suppliers to sign confidentiality agreements. However, these confidentiality agreements may be breached, and the Company may not have adequate remedies for such breaches. Third parties may independently develop substantially equivalent proprietary information without infringing upon any proprietary technology. Third parties may otherwise gain access to the Company’s proprietary information and adopt it in a competitive manner. Any loss of intellectual property protection may have a material adverse effect on the Company’s business, results of operations or prospects.



RISKS RELATED TO THE OFFERING

Additional Financing and Risk of Dilution

The Company will require equity and/or debt financing to support on-going operations, to undertake capital expenditures or to undertake 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 which are acceptable. The Company's inability to raise financing to fund capital expenditures or acquisitions could limit its growth and may have a material adverse effect upon future profitability.

If additional funds are raised through further issuances of equity or convertible debt securities, existing shareholders could suffer significant dilution, and any new equity securities issued could have rights, payments of dividends preferences and privileges superior to those of holders of Common Shares. 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 the Company to obtain additional capital and to pursue business opportunities.

Volatile Market Price for the Common Shares

In the event the Company becomes a reporting issuer pursuant to applicable Canadian securities laws and its Common Shares become listed on a stock exchange, the market price for the Common Shares may be volatile and subject to wide fluctuations in response to numerous factors, many of which will be beyond the Company's control, including, but not limited to the following:

- actual or anticipated fluctuations in the Company's quarterly results of operations;
- recommendations by investment banks;
- changes in the economic performance or market valuations of companies in the industry in which the Company will operate;
- addition or departure of the Company's executive officers and other key personnel;
- release or expiration of transfer restrictions on outstanding Common Shares;
- sales or perceived sales of additional Common Shares;
- operating and financial performance that vary from the expectations of management and investors;
- regulatory changes affecting the Company's industry generally and its business and operations both domestically and abroad;
- announcements of developments and other material events by the Company or its competitors;
- fluctuations to the costs of vital production materials and services;
- changes in global financial markets and global economies and general market conditions, such as interest rates and pharmaceutical product price volatility;
- significant acquisitions or business combinations, strategic partnerships, joint ventures or capital commitments by or involving the Company or its competitors;
- operating and share price performance of other companies that investors deem comparable to the Company or from a lack of market comparable companies; and
- news reports relating to trends, concerns, technological or competitive developments, regulatory changes and other related issues in the Company's industry or target markets.

Financial markets have recently experienced significant price and volume fluctuations that have particularly affected the market prices of equity securities of companies and that have often been unrelated to the operating performance, underlying asset values or prospects of such companies. Accordingly, the market price of the Common Shares of the Company may decline even if the Company's operating results, underlying asset values or prospects have not changed. Additionally, these factors, as well as other related factors, may cause decreases in asset values that are deemed to be other than temporary, which may result in impairment losses. There can be no assurance that continuing fluctuations in price and volume will not occur. If such increased levels of volatility and market turmoil continue, the Company's operations could be adversely impacted, and the trading price of the Common Shares may be materially adversely affected.

Investment in Common Shares

Any purchase of the Common Shares is highly speculative given the uncertain nature of the Company's business and its stage of development, and may result in the loss of a purchaser's entire investment. There can be no assurance that an active and liquid market for the Units or the Common Shares will develop and be maintained, and a purchaser may find it difficult to resell any securities of the Company.