

Management's Discussion and Analysis of Financial Condition and Results of Operations for the Year Ended December 31, 2022.

The following Management's Discussion and Analysis ("MD&A") comments on the consolidated financial condition and results of operations of Personas Social Incorporated for the year ended December 31, 2022. All data in this MD&A has been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and interpretations of the IFRS Interpretations Committee. The information contained herein should be read in conjunction with Personas' consolidated Financial Statements for the year ended December 31, 2022 (the "financial statements"), and the annual audited consolidated Financial Statements of Personas for the year ended December 31, 2021.

Unless the context otherwise requires, all references to "Peeks", "Peeks Social", "Corporation", "Company", "our", "us", and "we" refers to Personas Social Incorporated as consolidated with its subsidiaries. Additional information regarding the Company is available at SEDAR at www.sedar.com.

This MD&A is dated May 1, 2023. All amounts are presented in Canadian dollars, unless otherwise noted.

Advisory Regarding Forward-Looking Statements

This MD&A contains forward-looking statements. When used in this MD&A the words "may", "would", "could", "will", "intend", "plan", "anticipate", "believe", "seek", "propose", "estimate", "expect", and similar expressions, as they relate to the Company, are intended to identify forward-looking statements. In particular, this MD&A contains forward-looking statements with respect to, among other things, our objectives, goals, strategies, intentions, plans, estimates, outlook, expected growth and business opportunities. Although the Company believes that the expectations reflected in such forward-looking statements are reasonable, such statements involve risks and uncertainties and undue reliance should not be placed on such statements. Certain material factors or assumptions are applied in making forward-looking statements, including without limitation, factors and assumptions regarding advertising revenues, platform fee revenues, operating costs and tariffs, taxes and fees, changes in market competition, governmental or regulatory developments, changes in tax legislation and general economic conditions. Actual results may differ materially from those expressed or implied in such statements. Important factors that could cause actual results to differ materially from these expectations include, among other things: the Company's ability to attract and retain users and increase the level of engagement of its users; the Company's expectations regarding its user growth rate and the usage of its web and mobile products; the Company's ability to attract advertisers and the revenue derived from these advertisers; the Company's ability to grow user monetization; the sufficiency of the Company's cash and cash generated from operations to meet its working capital and capital expenditure requirements; the ability of the Company to raise sufficient capital to fund operations and meet its financial obligations; and changes in accounting standards.

The Company cautions you that the foregoing list may not contain all of the forward-looking statements made in this document. The Company's actual results, performance or achievements could differ materially from those expressed in, or implied by, these forward-looking statements and, accordingly, no assurances can be given that any of the events anticipated by the forward-looking statements will transpire or occur, or if any of them do, what benefits that the Company will derive therefrom. Readers are cautioned that the foregoing list of factors is not exhaustive. When relying upon our forward-looking statements to make decisions with respect to the Company, investors and others should carefully consider the foregoing factors and other uncertainties and potential events. All subsequent forward-looking statements, whether written or oral, attributable to the Company or persons acting on its behalf are expressly qualified in their entirety by these cautionary statements. Furthermore, the forward-looking statements contained in this document are made as at the date of this document and Personas Social Incorporated does not undertake any obligation to update publicly or to revise any of the included forward-

looking statements, whether as a result of new information, future events or otherwise, except as may be required by applicable securities laws.

GOING CONCERN ASSUMPTION

While these consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") on a going concern basis that presumes the Company will continue in operation for the foreseeable future and that the realization of assets and discharge of liabilities and commitments will occur in the normal course of business, there is a material uncertainty related to conditions that may cast significant doubt on the Company's ability to continue as a going concern.

The Company's total liabilities exceeded its total assets by \$4,046,012 as at December 31, 2022 (2021- \$4,268,994) and it has a working capital deficiency of \$5,328,853 as of that date (2021- \$5,812,238). Its operating cash flows are negative by \$ 195,839 for the year ended December 31, 2022.

The Company has mainly been relying on non-operational sources of financing to fund operations except for generating a net income of \$102,982 during the current year (net loss of 3,897,701 for the year ended December 31, 2021). Management has been able to raise sufficient funds to finance its operations in the past through private placements of both equity and debt and will need to continue to do so to fund operations in the future. Management is implementing cost rationalization strategies, targeted marketing and introduction of new revenue stream to achieve improved profitability in the next years and is endeavoring for continued revenue growth. These consolidated financial statements do not include any adjustments to the amounts and classification of assets and liabilities that might be necessary should the Company be unable to realize its assets and discharge its liabilities in the normal course of business. Such adjustments could be material.

ABOUT PERSONAS SOCIAL INCORPORATED

Personas Social Incorporated (formerly, Peek Social Ltd.) ("Personas", "Peek Social", "Peek", or the "Company"), was incorporated on May 20, 2004, under the *Business Corporations Act* (British Columbia) and on January 10, 2008, was continued under the laws of the Province of Alberta. The Company is publicly traded and listed on the TSX Venture Exchange ("TSX-V") under the symbol "PRSN".

The Company's core business is to generate revenue through the offering of live streaming social media products and services for use by consumers and businesses on its live streaming social media platform, with a focus on mobile (iOS and Android) products. The Company focuses on providing social commerce enabled products which allow for a monetizable user experience to all users, consumers and businesses alike. The Company accomplishes this by offering web-based products, including mobile applications which are complete with enterprise grade global ecommerce infrastructure including multi-currency, multi-lingual, turnkey mobile commerce suites for users.

On May 2, 2018, Peek Social completed a reverse acquisition with Personas.com Corporation ("Personas"), a private Ontario company and a related party by nature of it being under the common control of Personas' CEO, Mark Itwaru. The transaction enabled the Company to fully own the live streaming technology platform that it was previously licensing from Personas for the use in its business.

OVERVIEW OF THE BUSINESS AND OPERATIONAL HIGHLIGHTS

Products and Product Development

Until 2016, the Company's flagship product and core line of business was an online social video platform for both web and mobile (with an emphasis on mobile) which allowed users to upload and share personal videos of themselves or events surrounding them, their "self-expression". This product was known as "Keek".

In November 2016, the legacy Keek mobile apps were transitioned from a "social media" video platform to a "social commerce" livestreaming platform, at which time they were rebranded under the product name "Peeks Social". Peeks Social is best described as "a social commerce enabled livestreaming platform." The Company has developed three main social media apps for its platform, namely Peeks Social, Personas and WADSPRO, as well as a number of services which vary within each social media app.

The Peeks Social Platform

The Peeks Social Platform is a robust live streaming, mobile enabled social commerce platform that provides broadcasters and content creators with a wide variety of proprietary content monetization services. Content creators can make money by charging their viewers monthly subscription fees (Subscription Service), by receiving donations from viewers (Tipping Service) and by charging viewers for access to content (Paywall Service). In addition, the Peeks Social Platform provides a proprietary AdShare Service. The AdShare service allows all content creators to make money through advertising by selecting sponsored ads that run on their video content. The AdShare network dynamically matches sponsors with content creators and allows the content creators to select their desired sponsors. The Company shares its cost per impression-based advertising revenues with the content creator; thereby allowing content creators an effortless way to make money. The Company's social media apps and various features are described below.

Peeks Social App

The Peeks Social app allows users to view and interact with content or to livestream or broadcast themselves (a "Broadcaster") on a personal interactive social commerce enabled mobile platform. By simply tapping their screen, users of the Peeks Social app can send "likes", tip Broadcasters real money, chat, and interact with content providers, all in real-time. The Peeks Social app differentiates itself from its competitors in several ways – (1) Peeks Social provides a real-time, engaging, and monetizable user experience to all of its users; (2) its enterprise grade global social commerce infrastructure is a multi-currency, multi-lingual, turnkey mobile commerce suite for all of its Broadcasters and viewers, complete with an individual e-wallet for every user.

Product and Services

During the year ended December 31, 2022, the Company continued to promote its Peeks Social app while continuing the research and development of its upcoming Keek Social video sharing app. The Keek Social video sharing app is an AI powered video sharing network that allows to "get famous fast" by the use of Fire Posts™. Fire Posts™ allow a user to exploit the services AI in helping them to find followers. Keeks proprietary AI matches content creators with an interested audience allowing the prior to rapidly assemble and audience of followers.

Marketing

The Company continued to market its Peaks Social platform. The majority of marketing efforts focus on social media marketing on Facebook and Instagram. The Company feeds users to its services from its various social media accounts. Today the Company has over 1.1 million Instagram followers and continues to grow.

Product Features, Monetization and Revenue

Peeks

The Company currently derives its revenue by charging fees (described below) on transactions processed on the Peaks Social Platform. The Peaks Platform is utilized by both content providers and by viewers (users). Users can currently transact inside Peaks by “tipping” a Broadcaster or by paying to access a “paid broadcast”. All users (both Broadcasters and viewers) have a “wallet” inside the app to which they can deposit funds via a number of methods including credit card and in-app purchase (depending on their device), or withdraw funds via a variety of options depending on their geographical location. Users may utilize the funds inside their wallet to send tips to Broadcasters or to purchase access to the paid streams of other users. Wallets may contain USD, CAD, or a digital currency referred to as “coins”. A “coin” has a value which approximates \$0.05USD. Coins may be purchased on both the iOS and Android platforms, or on the web at www.peeks.com.

Platform fees

Upon receipt of a tip or payment for a paid stream, the Company charges the Broadcaster a platform fee based on a percentage of the payments received by the Broadcaster. The platform fee varies with the Broadcaster’s rating as determined by the viewers of the Broadcaster’s content. The current platform fees are as follows:

Stars (Broadcaster’s “Rating”)	Platform Fee
0.0 - 0.9	70%
1.0 - 1.9	60%
2.0 - 2.9	50%
3.0 - 4.4	39.9%
4.5 - 5.0	24.9%

For the year ended December 31, 2022, the average platform fee charged by the Company on transactions in the Peaks Social service was approximately 30%.

Tipping

The tipping mechanism is available to viewers of content is only available in the Peaks Social app, and allows a viewer to send tips to a Broadcaster in either real-time or on a previously recorded livestream or uploaded video. Tip amounts currently available on the Android platform are \$0.25, \$0.50, \$1.00, \$5.00, \$10.00. On the iOS platform, tips may be sent in the amounts of 5, 10, 20, 100, or 200 coins. Once sent, the tip(s) are then withdrawn from the viewer’s wallet and deposited to the Broadcaster’s wallet.

Paid Broadcasts

A paid broadcast is a livestream (or previously recorded livestream) where the Broadcaster has selected to charge a fee for access to that content. This is available in the Peaks Social app, the Personas App and the WASDPro app. The amount of the fee is determined by the Broadcaster and currently from \$0.50-\$50.00 (in either USD or CAD) for Android Broadcasters and 10-1,000 coins for iOS Broadcasters. Should a viewer choose to purchase access to the content, the fee is withdrawn from their wallet and deposited to the Broadcaster’s wallet.

Get Popular

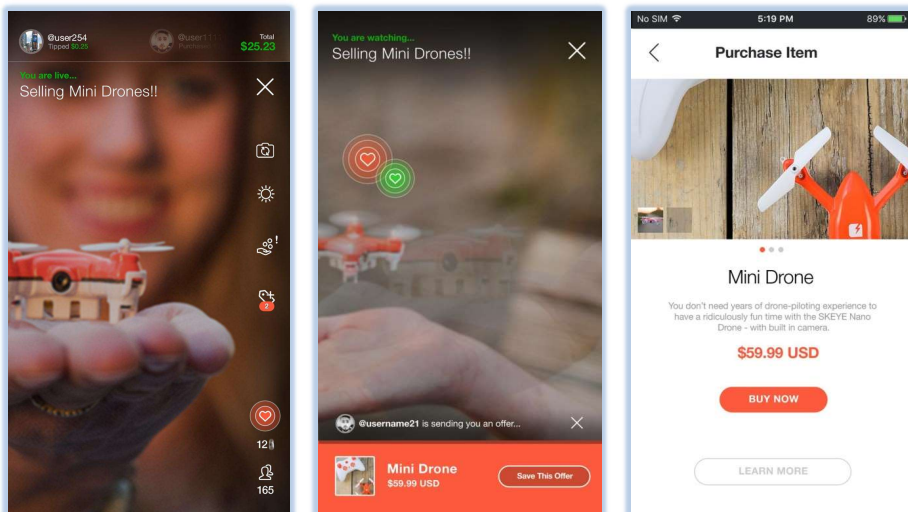
The Get Popular service is a self-promotion tool which will allow Broadcasters to purchase advertising units for themselves or for their content to be featured in certain positions in the Peeks Social app's Popular Channel, Live Channels, and similar pages on all the Company's applications. This is available in the Peeks Social App, the Personas app, and the WASDPro app. The feature was launched in October 2017 in the Peeks Social App. The current pricing for the Get Popular service is as follows:

Impression Package (# of impressions)	Fee (USD)
5,000	79 coins (\$3.95)
10,000	139 coins (\$6.95)
50,000	499 coins (\$24.95)

OfferBox

The OfferBox has been retolled and refitted into the upcoming Keek Social video sharing app . It was the first merchant tool to be added to the Peeks Social app. Using the OfferBox technology, users such as brands, influencers, and consumers, can create actionable incentives which can be distributed to their live audiences. This allows users to create individual live home shopping channels with a global reach. Using the OfferBox technology, a Broadcaster can deliver a call to action to their viewers inside a live stream which can allow for the instant purchase of the product or service being advertised. The offer may include information such as pictures, product or service descriptions, geographical availability, quantity, pricing, and terms of sale.

The function of OfferBox is illustrated by the images below:



From Left to Right:

- A Broadcaster selling “Mini Drones” inside a livestream on the Peaks Social app.
- A viewer receives an offer to purchase a “Mini Drone” for \$59.99 USD while watching a livestream.
- A viewer reviews the details of the offer to purchase a “Mini Drone”.

MARKET TRENDS, PRODUCT DEVELOPMENT, AND BUSINESS OUTLOOK

Peeks Social has deployed a global platform for public self-expression, communication, and monetary transaction in real time. The Company’s apps are free for download. Having demonstrated through its legacy products that a global video-centric social network can attract audiences (the legacy Keek product attracted 75 million registered users over 5 years), the next milestone for the Company is to confirm that this community can sustain itself from a relevance, enhanced value creation and monetization perspective. In order to do so, Management is of the belief that sustainability and growth must come from a product-first approach, and therefore the Company plans to focus its attention towards the growth of the Peaks Social live-streaming commerce network through its social media apps.

As a social commerce platform, Peaks Social connects content providers, viewers, advertisers, brands and retailers in a seamless organic social commerce ecosystem. The Company’s platform allows premium content creators to monetize their popularity by sharing in advertising revenues and by being able to charge viewers for access to content. Additionally, the platform allows content creators to charge their viewers for goods and services and will allow viewers to make instantaneous purchases on their mobile devices through the OfferBox technology. Apart from premium content and enhanced product features and tools, the Peaks Social Platform and community will remain a free service for existing and future users.

Management believes that livestreaming will continue to achieve extremely rapid adoption rates in the social media marketplace. The Company expects the adoption rates of livestreaming video, in a social media context, will easily surpass those previously achieved by pre-recorded video and podcasts. Over its history, the Company has been successful in driving vast amounts of users to its products. Management is planning to replicate similar user growth strategies for Peaks Social. This user driven business strategy can be paired with new customer services and an innovative monetization strategy across different verticals, such as the existing tipping, paid broadcasts, monetization features such as the OfferBox, as well as potential subscription sales as described above (see “*Products and Product Development*” above and “*Outlook*” below).

The user driven business strategy will be focused on performance metrics which the Company has identified as being key to the performance of the Peaks Social product and the growth of the business (see *Product Performance (KPIs)*). These metrics are: the percentage of spending users; the average spend per user; and the activity levels of the users. In its early stages, the Peaks Social product has already proven its ability to monetize users in a social network.

Outlook

The Company announced the re-launch of its Keek Social video sharing app. The Keek Social app will be monetized via CPM and CPC advertising and via in-app payments. In -app payments will be made for the use of Fire Posts™. Users will be charged on either a recurring basis or recurring basis (as per user preference) for the purchase of Fire Post™ advertising credits. Advertisements will be inserted into the app via third party advertising services such as Google ad mob.

In 2022 management continued to execute on its strategy to stabilize expenses while increasing revenues. Management plans on accelerating these efforts in 2023 with a renewed focus on user acquisition for both its Peaks and Keek Social services.

SUMMARY OF FINANCIAL AND OPERATING RESULTS

Years Ended December 31, 2022 and December 31, 2021

During the year ended December 31, 2022, the Company reported a total of \$4,459,468 in revenue, of which \$3,245,177 related to tipping revenue, and \$1,214,291 related to virtual currency revenue. This is compared to \$3,839,064 reported for the year ended December 31, 2021, of which \$2,802,023 related to tipping revenue, and \$1,037,041 related to virtual currency revenue. This increase in revenue is due to increased efficient marketing efforts and efficiency throughout fiscal 2022.

Selected financial information for the Company for the indicated periods is provided below:

	Years Ended	
	December 31, 2022	December 31, 2021
	\$	\$
Tipping revenue	\$3,245,177	\$2,802,023
Virtual currency revenue	1,214,291	1,037,041
Total revenue	\$4,459,468	3,839,064
Cost of Sales	2,412,909	2,280,939
Gross Profit	2,046,559	1,558,125
Operating expenses	1,590,744	2,667,742
Net income (loss) for the year	455,815	(1,109,617)
Net loss per share – basic	0.0003	(0.012)
Net loss per share – diluted	0.0003	(0.012)

Operating expenses for the year ended December 31, 2022, were \$455,815 as compared to \$1,109,617 for the year ended December 31, 2021. In general, there was a downward trend in expenses which was mainly due to the decrease in salaries and benefits, general and administration and advertising and communications, driven by the Company's cost-cutting strategy.

The following is the breakdown of operating expenses for the year ended December 31, 2022 and the year ended December 31, 2021. Details of the changes between periods are described in the notes to the table below.

Summary of Operating Expenses

	Year ended December 31, 2022	Year ended December 31, 2021
Wages and benefits	310,285	724,129
General and administrative	282,868	455,403
Advertising and promotion	80,137	82,183
Consulting fees	354,843	426,471
Professional fees	321,227	315,088
Bad debt expense	-	66,685
Insurance	143,261	141,945
Rent	48,274	272,710
Depreciation	49,849	183,128
	1,590,744	2,667,742

Notes:

- (a) Salaries and benefits costs decreased by \$413,844 as compared to the year ended December 31, 2021. This is due to cost cutting measures made by management in the forms of reduction of head count.
- (b) General and administrative expenses decreased by \$172,535 as compared to the year ended December 31, 2021. This is due to cost cutting measures made by management.
- (c) Consulting fees mainly included consulting expenses paid to Riavera Corporation, a related party owed by the CEO in relation to management consulting and technology integration services, this year, consulting expense decreased by \$71,628.
- (d) Professional fees mainly pertained to statutory audit fees as well as legal fees paid to lawyers.
- (e) Rent expense decreased by \$224,436 as compared to the year ended December 31, 2021. This is due to cost cutting measures made by management in the forms of office downsizing.
- (f) Depreciation included amortization of ROU assets in relation to the company's leases under IFRS 16.

FINANCIAL CONDITION, LIQUIDITY AND CAPITAL RESOURCES

Cash Flow for the year Ended December 31, 2022 and the Year Ended December 31, 2021

Net cash used in operating activities was \$195,389 for the year ended December 31, 2022, as compared to \$71,563 generated from operating activities for the ended December 31, 2021. During the year ended December 31, 2022, the Company had a decrease of \$59,301 of accounts receivables, a increase of \$63,703 of harmonized sales tax recoverable, an increase of \$18,237 of prepaid expenses, an increase of \$27,585 in trade payable and accrued liabilities, a decrease of \$449,118 in related parties' payables and an decrease of \$57,938 of customer deposit liabilities.

For the year ended December 31, 2022, net cash generated from financing activities was \$127,145 as compared to net cash used in from financing activities of \$165,854 for the year ended December 31, 2021. Financing activities for the year ended December 31, 2022 included secured notes of \$40,000, payment of finance lease obligation of \$32,855 and cash proceeds from issuance of units \$120,000. For more information on the financing activities please see "Capital Transactions".

For the year ended December 31, 2022, net cash generated from investing activities was \$NIL which was receipts from finance lease receivables.

Liquidity

During the year ended December 31, 2022, the Company reported a total of \$4,459,468 in revenue. The Company will need to continue to rely upon capital-raising activities, such as private placement debt and equity financings, to fund its future operations. While there is no written commitment, the principal shareholder and CEO, Mark Itwaru, has historically provided financial support to the Company in times of cash shortages in between funding events. However, there is no guarantee such support will be available in the future. See "Liquidity Risk" below.

Selected financial information about the Company's financial position as at the indicated dates is provided below:

	December 31, 2022	December 31, 2021
	\$	\$
Cash	31,911	100,155
Total assets	3,137,237	3,363,519
Total liabilities	3,137,237	3,363,519
Share capital, contributed surplus, and warrants reserve	(4,046,012)	(4,268,994)
Deficit	(38,953,951)	(39,367,508)
Working capital (deficiency)	(5,328,853)	(5,812,238)

During the year ended December 31 2022, the Company recognized a net income of \$102,982 net loss of \$3,897,701 for the year ended December 31, 2021). and as of that date, the Company had accumulated a deficit of \$38,953,951 (December 31, 2021 - \$39,367,508). Whether and when the Company can attain profitability and positive cash flows from operations is uncertain. These factors create material uncertainties that cast significant doubt upon the Company's ability to continue as a going concern.

The Company has not yet realized profitable operations and has mainly relied on non-operational sources of financing to fund operations. Management has been able to raise sufficient funds to finance its operations in the past through private placements of both equity and debt and will need to continue to do so to fund operations in the future.

Recent financing efforts have included the following:

Private Placements:

Date	Unit Price	Units Sold	Gross Consideration
January 13, 2021	\$0.05	37,141,340	\$1,857,067
February 13, 2021	\$0.05	6,200,000	\$310,000
March 1, 2022	\$0.05	2,400,000	\$120,000

Commented [AH1]: What about subsequent event?
Issuance of shares and warrants of 2,400,000 units at a price of \$0.05 per unit for aggregate gross proceeds of \$120,000.

Secured Notes:

As at December 31, 2022, the Company had outstanding secured notes in the principal amount of \$290,000. Please refer to Note 10 in the Consolidated Financial Statements for full details of the notes.

Legal Proceedings

- (a) During the year ended February 28, 2017, a claim was initiated against the Company regarding finder's fees for brokering investments and business partnerships. The Plaintiff claimed damages in the amount of \$15,650,000. The Company is defending the lawsuit and believes the claim is completely without merit. Although the outcome of the claim is not determinable, Management strongly believes the financial impact is insignificant and has accrued the estimated financial effect of \$50,000 in trade payables and accrued liabilities. The claim remains outstanding as at December 31, 2022.
- (b) A Statement of Claim was filed in the Ontario Superior Court of Justice on September 18, 2021 by the landlord of a leased property (the Company's former office at 181 University Ave, Toronto). In February 2022, the lease arrangement was terminated. The lease expense was approximately \$42,620 per month net of sales tax. The Company is currently in litigation with the landlord regarding the office lease.
 - (i) The plaintiff seeking (among other relief) an order requiring Personas to pay arrears of rent in the amount of approx. \$385,000 as of September 2, 2021 and to pay future monthly lease payments until the expiry of the lease on May 31, 2026 with damages in excess of \$3,600,000.
 - (ii) The plaintiff terminated the lease with Personas on February 14, 2022. In management's view, doing so significantly reduces the total damages which the plaintiff may seek by more than \$2,200,000.
 - (iii) The Company is defending the lawsuit and is currently in very early stage of proceedings. Management, in consultation with the Company's legal adviser, has made an estimated provision of \$1,129,456 in these consolidated financial statements for the year ended December 31, 2022.

Management of Capital

The Company considers its capital to be its equity attributable to shareholders, which is comprised of share capital, contributed surplus, warrants reserve, and deficit, which as at December 31, 2022, amounted to negative \$4,046,012 (December 31, 2021 – negative \$4,268,994).

The Company's objectives when managing capital are: to safeguard its ability to continue as a going concern; and, to have sufficient capital to fund the growth and operations of its social media products and technologies for the benefit of its shareholders.

There were no changes in the Company's management of its capital during the year ended December 31, 2022. The Company is not subject to any externally imposed capital requirements.

In order to maintain its capital structure, the Company is dependent on equity and/or debt funding and, when necessary, raises capital through the issuance of equity instruments, comprised of common shares, warrants, and incentive stock options, and through the issuance of debt instruments. The Company reviews its capital management methods and requirements on an ongoing basis and makes adjustments accordingly.

Capital Transactions

Year Ended December 31, 2021 and Year Ended December 31, 2022

On February 19, 2021, the Company issued an aggregate of 1,000,000 Shares at a price of \$0.05 per share, to satisfy 1,000,000 share options exercised by the holders, as a result, an amount of \$39,862 has been allocated from contributed surplus.

On March 9, 2021, the Company issued an aggregate of 2,000,000 shares at a price of \$0.075 per share, to satisfy 2,000,000 warrants exercised by the holders, as a result, an amount of \$48,478 has been allocated from warrants reserve.

On March 1, 2022, the Company completed a non-brokered private placement offering of 2,400,000 units at a price

of \$0.05 per unit for aggregate gross proceeds of \$120,000. Each unit consists of one common share of the Company and one-half of one common share purchase warrant (a "Warrant"). Each whole Warrant issued under this financing entitles the holder to acquire one additional common share at a price of \$0.075 until March 1, 2023. If at any time the daily volume weighted average closing price of the Company's common shares on the TSX Venture Exchange is \$0.15 or more for a period of ten (10) consecutive days, the Company is entitled to notify all holders of Warrants of its intention to force the exercise of the Warrants following which the holders of Warrants shall have thirty (30) days from the date of the press release to exercise the Warrants. All of the common shares and Warrants issued in

connection with this financing are subject to a statutory four-month hold period in accordance with applicable securities laws. The proceeds raised under this financing are expected to be used to support the Company's product development, online platforms and for general working capital purposes.

Disclosure of Outstanding Share Data

The Company had the following shares and securities convertible into shares outstanding at the following dates:

	December 31, 2022	December 31, 2021
Common Shares	327,989,359	325,589,359
Warrants, convertible into Common Shares	1,200,000	4,000,000
Stock Options, convertible into Common Shares	39,967,800	40,542,800
Total Outstanding	369,157,159	370,132,159

See "Notes to the Consolidated Financial Statements for the years ended December 31, 2022 December 31, 2021".

RELATED PARTY TRANSACTIONS

Related party transactions are in the normal course of business and are measured at the exchange amount which is the amount of consideration established by and agreed to by the related parties. Related party transactions for the year ended December 31, 2022, are as follows:

- The Company paid \$NIL (year ended December 31, 2021 - \$210,000) in consulting fees to Riavera Corp., a company owned by the controlling shareholder of the Company (CEO of Personas Social), in relation to management consulting and technology integration services. The balance is unsecured, non -interest bearing with no set terms of repayment.

Key management compensation

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly, including any director (whether executive or otherwise). The compensation paid to key management, which included all directors as well as Chief Executive Officer and Chief Financial Officer for the year ended December 31, 2022, was \$NIL (year ended December 31, 2021: \$210,000).

INVESTOR RELATIONS

Investor relations were performed by the Company for year ended December 31, 2022.

SEGMENTED INFORMATION

The Company operates in one operating segment. Management assesses performance and makes decisions about allocating resources based on this one business segment. All of the Company's assets are located in Canada. The following table shows the revenue for year ended December 31, 2022 and the year ended December 31, 2021 based on the geographic location of the customer:

Revenue based on the geographic location of the customer (\$)

	Year Ended December 31, 2022	Year Ended December 31, 2021
Canada	\$112,290	\$101,811
United States	2,927,600	2,552,214
Africa, The Middle East, and India	1,058,075	881,651
Europe	278,158	232,109
Others	83,345	71,279
Total	\$4,459,468	\$3,839,064

OFF-BALANCE SHEET ARRANGEMENTS

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

FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

Fair Values

The carrying value of cash, accounts receivable, accounts payable and accrued liabilities, customer deposits, short-term loans payable, and due to related parties approximate their fair values due to the short-term maturities of these instruments. Fair value represents the amount that would be exchanged in an arm's length transaction between willing parties and is best evidenced by a quoted market price, if one exists. The fair values of the secured notes approximate their carrying amounts as they bear terms similar to that of comparable instruments.

The Company follows a three-tier categorization for its financial instruments as a framework for disclosing fair value based upon inputs used to value the Company's investments. The hierarchy is summarized as:

- Level 1 – quoted prices (unadjusted) in active markets for identical assets and liabilities
- Level 2 – inputs that are observable for the asset or liability, either directly (prices) or indirectly (derived from prices) from observable market data
- Level 3 – inputs for assets and liabilities not based upon observable market data

As at December 31, 2022, and December 31, 2021, cash was carried at Level 1 in the fair value hierarchy.

Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in market interest rates. The Company's interest rate risk is primarily related to the Company's interest-bearing debts on its consolidated statements of financial position. The secured notes bear interest at fixed rates of 15%, thereby minimizing the Company's exposure to cash flow interest rate risk. The company considers interest rate risk to be immaterial.

Foreign Currency Risk

The Company is subject to foreign exchange rate risk as it enters into transactions denominated in currencies other than the Company's functional currency, which is the Canadian dollar. The maximum exposure to foreign currency risk is equal to amounts held in foreign currencies at the Statement of Financial Position date. As at the reporting date trade receivables of the Company and customer deposits had exposure to currency risk being represented in USD.

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 manages liquidity risk through the management of its capital structure as outlined in Note 17 (e) to the consolidated interim financial statements. The Company has revenue from operations however continues to rely on equity funding, debt funding and funding from related companies to support its growth and corporate activities. Should the need for further equity or debt funding arise, there is a risk that the Company may not be able to sell new common shares at an acceptable price or debt instruments at an acceptable interest rate level.

The Company has sustained losses over the last number of periods and has financed these losses mainly through a combination of equity and debt offerings. Management has been able to raise sufficient funds to finance its operations in the past through private placements of both equity and debt and believes that it has the ability to raise sufficient cash to meet all of its contractual debt that is coming due in the next year and to fund any operating losses that may occur in the upcoming periods.

With the exception on of the contractual obligations for lease liabilities disclosed in Note 15 to the Consolidated Financial Statements, all contractual obligations are due within one year.

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 their obligations. Financial instruments that potentially expose the Company to this risk consist of cash, trade receivables, and finance lease receivables. The Company's cash is on deposit with Canadian Tier 1 chartered banks therefore the associated credit risk is low. Trade receivable, and finance lease receivables are in the normal course of business. The Company's maximum exposure to credit loss is the carrying amount of financial assets at the reporting date, as summarised below:

	December 31, 2022 \$	December 31, 2021 \$
Cash	\$31,911	\$100,155
Trade receivables	123,244	181,908
Total	\$155,155	\$282,063

The Company reviews the banks and financial institutions it deals with to ensure that standards of credit worthiness are maintained. Trade receivables are with large credit card processing companies with stable financial conditions thereby mitigating company's credit risk. Historically, the company has not suffered any material losses related to credit risk. The Company believes it is not exposed to significant credit risk.

Other Risks and Uncertainty

- ❖ If the Company is unable to advance its product and technology, specifically in the transition to the live-streaming space, its technology may become obsolete with significant impact to its ability to raise additional capital.
- ❖ If the Company is unable to compete effectively for users and advertiser spend, its business and operating results will be harmed.
- ❖ The Company has incurred significant operating losses in the past, and it may not be able to achieve or subsequently maintain profitability.
- ❖ The Company has a limited operating history in a new and unproven market for its platform, which makes it difficult to evaluate its future prospects and may increase the risk that it will not be successful.
- ❖ If the Company fails to grow its user base, or if user engagement or ad engagement on its platform declines, its revenue, business and operating results may be harmed.
- ❖ The Company's products and services may contain undetected software errors, which could harm its business and operating results.
- ❖ Regulatory investigations and settlements could cause the Company to incur additional expenses or change its business practices in a manner materially adverse to its business.
- ❖ Privacy concerns relating to the Company's products and services could damage its reputation and deter current and potential users and advertisers from using the products and services.
- ❖ The Company may face lawsuits or incur liability as a result of content published or made available through its products and services.
- ❖ The Company's intellectual property rights are valuable, and any inability to protect them could reduce the value of its products, services and brand.
- ❖ The Company requires additional capital to support its operations and the growth of its business, and it cannot be certain that this capital will be available on reasonable terms.

Investors should carefully consider the risks and uncertainties described above and in the financial statements. The risks and uncertainties described in the Company's financial statements and MD&A are not the only ones it faces. Additional risks and uncertainties, including those that the Company does not know about now or that it currently deems immaterial, may also adversely affect its business. For a more complete discussion of the risks and uncertainties which apply to the Company's business and its operating results, please see the Company's Management Information Circulars and other filings with Canadian securities regulatory authorities on SEDAR at www.sedar.com.

ADDITIONAL INFORMATION:

Additional information relating to the Company including the consolidated financial statements for the year ended December 31, 2022, the audited consolidated annual financial statements of Personas Social Incorporated for the year ended December 31, 2021, Management Information Circulars, and press releases issued by the Company, are available under the Company's profile on SEDAR at www.sedar.com.