



TINKERINE STUDIOS LTD.

MANAGEMENT DISCUSSION AND ANALYSIS

For the six months ended June 30, 2023



Ditto™ Pro 3D Printer & Tinkerine U online 3D content

Management's Discussion and Analysis of the Financial Position and Results of Operations

August 29, 2023

The following discussion and analysis regarding the financial position and results of operations provides information of the operations and financial results of Tinkerine Studios Ltd. ("the Company") that the management believes is relevant for the review, assessment and understanding the Company's unaudited condensed consolidated interim financial statements for the six months ended June 30, 2023. The Management's Discussion and Analysis (MD&A) should be read in conjunction with the unaudited consolidated interim financial statements. Readers may want to refer to the December 31, 2022 audited financial statements and the accompanying notes which are available at www.sedarplus.ca.

Background and Description of the Business

Tinkerine Studios Ltd is one of Canada's largest designer, producer and distributor of 3D printers, with its innovative software and learning through Tinkerine. It supports the growing demand for related online educational content, storage, software and resources for 3D programs in the design market.

Tinkerine designs, manufactures and distributes 3D printers in Canada, USA and the APAC region. The Company's product offering is the Ditto Pro and Ditto Pro R which are well priced in each segment of the market, where the Company has developed a reputation for quality 3D printers and innovative and high quality, educational support for educators and design professionals and small to medium size enterprises ("SME"). As a result of the Covid-19 pandemic that impacted the world in 2020, the Company added personal protective equipment ("PPE") to its product offering.

At the beginning of this fiscal year, the Company decided to leverage its software development and business advisory resources to expand its consulting services by offering its services in areas of hardware review and analysis, software development and business advisory to clients seeking services and expertise in these areas. As a result, the Company has generated revenues of \$372,610 during the six-month period ended June 30, 2023. The Company continues to be a 3D hardware manufacturer and a supplier of filament.

The financial information in this MD&A is based on the Company's unaudited consolidated interim condensed financial statements which have been prepared in Canadian dollars, in accordance with International Financial Reporting Standard ("IFRS")

Non-IFRS Measures

The accompanying audited consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) in Canadian dollars. Certain supplementary information and measures not recognized under IFRS are also provided in this MD&A where management believes they assist the reader in understanding Tinkerine's results. These measures are calculated by Tinkerine on a consistent basis unless otherwise specifically explained. These measures are further explained as follows:

EBITDA - EBITDA and EBITDA margin means net earnings or losses before interest, taxes, depreciation, amortization, foreign exchange gains and losses and stock-based compensation. EBITDA and EBITDA margins are not recognized as measures under IFRS and do not have a standardized meaning prescribed by IFRS and therefore may not be comparable to similar measures reported by other corporations. Management believes that this metric assists in determining the ability of the Corporation to generate cash from operations and is calculated on a consistent basis.

Cash flow from operations – means cash flow from operations before changes in non-cash operating working capital. This measure is not intended to be an alternative to cash provided by operating activities as provided in the consolidated statements of cash flows, comprehensive income or other measures of financial performance calculated in accordance with IFRS. Cash flow from operations assists management and investors in analyzing operating performance and leverage.

Q2 2023 Overview and Highlights

The Company's principal business is the design, manufacture and distribution of 3D printers, software and related online educational content. In March 2022 the Company began offering its consulting services to clients in the areas of hardware review, software development, business development and business consulting. The Company during 2022 continued to reduce its expenses, add content and support courses through its consulting business.

- Q2 2023 revenue was \$372,610 versus Q2 2022 of \$198,785, an increase of 87% year over year. Q2 2023 revenue derived from consulting services was \$316,400 vs Q2 2022 of \$118,650 .
- In Q2 2023, the sales revenue derived by geographic segment was as follows: Canada - \$178,530, US - \$178 versus geographic segmented sales in Q2 2022 as follows: Canada-\$188,348, and US - \$10,437.
- Canadian sales revenue saw a decrease of 25% year over year, while the US revenue in saw a decrease of 61% year over year. The unpredictability of US school purchasing trend continues to effect sales.
- Revenue from consulting income represented an increase of 168% compared year over year. While we saw revenues from consulting services increase, we have seen a slowdown of 3D printer sales to the education market.

Summary of Quarterly Information

	Quarter ended:			
	"Q2 2023"	"Q1 2023"	"Q4 2022"	"Q3 2022"
	June 30 2023	March 31 2023	December 31 2022	September 30 2022
Revenue	\$372,610	\$193,902	\$221,172	\$175,085
Net Comprehensive Income (Loss)	(\$54,614)	\$34,610	\$44,888	(\$12,923)
Basic and Diluted Loss per share	(\$0)	\$0	(\$0)	(\$0)
Number of shares outstanding (w . avg.)	49,675,849	49,675,849	49,675,849	49,675,849
	Quarter ended:			
	"Q2 2022"	"Q1 2022"	"Q4 2021"	"Q3 2021"
	June 30 2022	March 31 2022	December 31 2021	September 30 2021
Revenue	\$150,947	\$47,838	\$47,332	\$288,726
Net Comprehensive Income (Loss)	(\$35,869)	(\$73,934)	(\$226,855)	\$184
Basic and Diluted Loss per share	(\$0)	(\$0)	(\$0)	\$0
Number of shares outstanding (w . avg.)	49,675,849	49,675,849	49,670,301	49,651,397

Earnings before interest, taxes, depreciation, amortization, foreign exchange gains and losses and stock- based compensation (EBITDA) decreased to a loss in Q2 2023 of \$48,727 compared to a loss of \$58,066 in Q2 2022, an improvement of \$9,339.

The Company's net and comprehensive loss for Q2 2023 decreased to \$54,614 compared to the net and comprehensive loss of \$109,802 in Q2 2022, a decrease in net and comprehensive loss of \$53,355, an improvement year over year of 149%. The decrease in loss is attributable to increased consulting revenue, convertible debentures that have been cancelled, modification of lease, and reduction in our expenses, in particular, interest and accretion, amortization, stock-based compensation, and shareholders communications filing and transfer agency. Expenses that increased were rent and utilities, foreign exchange loss, insurance, office and general, remuneration and benefits and professional and consulting fees. Our total cash expenses (total expenses net of amortization, accretion and stock-

based compensation) increased to approximately \$379,188 in Q2 2023 from \$283,449 in Q2 2022, an increase of \$95,739 in cash expenses.

RESULTS OF OPERATION

1. Revenue

Revenue was \$372,610 for the six months ended June 30, 2023 versus \$198,785 for the comparative period Q2 2022, a increase of \$173,825 for the second quarter of 87%. The overall increase in revenue is attributed to the increase in consulting revenue of \$316,400, in comparison to \$118,650 for Q2 2022. In addition, Canadian sales were lower in Q2 2023 due to the slower educational market for 3D printers. While technology and STEAM continues to be emphasized in school districts in both countries, the implementation of these programs were disrupted, and this uncertainty continues in school operations in particular in Canada, as funding uncertainty continues to effective the school system

For the six months ended June 30, 2023, revenue was represented by 8% hardware printer sales (2022– 20%), 8% filament (2022 – 5%) and 87% services/consulting revenue (2022 – 60%). Included in services/miscellaneous is revenue that has been generated for contract work with clients where Tinkerine provide services for hardware review, sales support software development and business advisory.

Growth in consulting service revenue continued over the period providing for a significant increase in revenue mix, accounting for 85% of total revenue for the six months period ending June 30, 2023 (2022-60%) and for the quarter end June 30, 2023 represented 99% of revenue (2022-79%).

For Q2 2023, revenue was represented by geographic segment as follows: Canada – \$368,534 and United States – \$4,076 versus geographic segmented sales in Q2 2022 of Canada – \$188,348 and United States – \$10,437. While the Canadian market sales saw a increase year over year of \$180,186 due to a significant increase in revenue generated by consulting services of \$316,400. The United States revenue was lower by \$6,361 at \$4,076 and was the result of a partnership with a US distributor whose business is tendering for US state government tenders to supply the schools in various states with technology including 3D printers and consumables

The number of 3D printers sold in quarter ended Q2 2022 was zero (0) compared to eight (8) 3D printers sold in the second quarter of 2022. Total 3D printers sold for the six month period ended June 30, 2022 was nine (9) versus sixteen (16) printers sold in comparative period for 2022, representing a 44% decrease year over year.

Filament Revenue for Q2 2023 is \$1,874 compared to \$4,802 in Q2 2022, which is a decrease of 57% year over year. Total filament revenue for the first six months was \$9,530 versus \$19,175 in 2021 with the total and percentage driven by schools buying filament and more home type projects being designed at home.

2. Gross Profit Margin

Gross profit for the three months ended June 30, 2023 was \$162,209 or 91% gross margin, higher by \$134,411 compared with \$134,411 or 89% gross margin for the three months ended June 30, 2022. Gross profit for the six months ended June 30, 2023 is higher at \$346,960 or 93% versus \$192,326 or 78% in 2022. This improvement in the gross profit percentage is the result of the increase in the consulting revenue that is provided by the existing employees whose cost is captured in remuneration and therefore there is no cost of sales allocated separately to this revenue.

3. Expenses

In Q2 2023, the Company incurred \$251,433 of total expenses compared to \$170,280 in Q2 2022, an increase of \$81,153 in total expenses. For the six months ended June 30, 2023, total expenses were \$385,075 versus \$335,185 for the six months ended June 30, 2022, an increase in total expenses of \$49,890. The Company continues to manage its controllable expenses and the total cash expenses was \$256,680 in Q2 2023 versus \$208,842 in Q2 2021, a increase of \$47,838 . For the six months ended June 30, 2022 total cash expenses were \$379,188 versus \$283,449 for the six months ended June 30, 2022 an increase of \$95,739 are due to increased professional and consulting fees in connection to consulting income. The Company continues to review departmental budgets and corporate spending in all areas and these are further discussed below

Highlighted quarterly expenses include the following:

- Remuneration and benefits increased by \$77,285 to \$218,305 for Q2 2022 versus \$68,079 for Q2 2022. For the six months ended June 30, 2022 remuneration and benefits was higher by \$79,984 at \$218,305 versus \$138,321 for the six months ended June 30, 2022. Staff responsibilities in 2022 were revised and

redistributed to improve efficiencies in key functional areas, the Company utilizes consultants and contract workers where necessary contributing to the increase year over year.

- In Q2 2023, \$nil was recognized as stock-based compensation versus \$3,495 in Q2 2022. For the six-month period ended June 30, 2023, \$nil was recognized as stock-based compensation versus \$9,000 for the comparative period in 2022. This is a non-cash expense and represents the fair value of stock options granted and outstanding using the Black Scholes calculation. Under IFRS, the expense is recognized as the options vest each quarter with a larger proportion of the expense recognized in earlier quarters. There were no stock option transactions for the six months ended Q2 2023 (2022-nil).
- Professional and consulting fees were \$67,665 in Q2 2023 versus \$42,315 in Q2 2022, an increase of \$25,350 in this expense. For the six months ended June 30, 2023, professional and consulting fees were \$98,595 versus \$81,582 for the six months ended June 30, 2022, an increase of \$17,013. The increase in this expense is due to the Company engaging additional advisors in 2023 for the RTO transaction. The Company regularly engages independent professional firms and consultants for corporate finance, audit and accounting services that includes services for audit, business consulting, bookkeeping, and business development and operations, research & development for services related to design and sourcing of new and existing raw materials, sales and marketing for services related to the development of programs and development of sales and marketing assets and investor relations for services related to the de-semination of the Company's information and the communication with shareholders. We also regularly engaged legal counsel for intellectual property matters, employment law and general commercial matters .
- Rent and utilities expense was \$12,651 in Q2 2023 versus \$783 in Q2 2022. . For the six months ended June 30 2023, rent and utilities were \$26,607 versus \$2,547 for the period ended June 30 2022. This presentation of the lease expense reflects the implementation and guidance of applying the modified retrospective method in terms of IFRS 16 to the office lease expense. IFRS 16 establishes the recognition, measurement, presentation and disclosure of all leases. As a result, the right-of-use asset has been capitalized for the office lease and will be amortized over the term of the rental agreement. Lease liabilities were discounted at the discount rate of 5% as at January 1st, 2019. . As at January 1, 2022 the Company modified its rental agreement, reducing its lease space and exercising its option on the lease term and therefore adjusted the right-of-use asset and the corresponding liability for its office lease. The office is leased from a director and is situated in an area designed for improved logistics and the layout of the premises is designed for greater work flow and productivity for both production of the 3D printers and the open design improves collaboration of products like TinkU platform and other educational initiatives.
- Interest Expense and Accretion Expense was \$4,743 in Q2 2023 versus \$26,511 in Q2 2022. For the six months ended June 30 2023, interest and accretion expense was \$4,743 and \$42,070, a decrease of \$21,768 due to a reduction in accretion expense related to promissory notes and the CEBA loan obligations on the balance sheet as at the end of June 30, 2023, which is a non-cash charge.

LIQUIDITY

As at June 30, 2023 the Company had working capital deficit of \$272,317 compared to net working capital deficit of \$1,299,671 at December 31, 2022. In 2020, the Company employees agreed to settle wages payable to them by issuing convertible debentures in the total amount of \$599,087 with no interest, or dividend, convertible no earlier than February 16, 2022. Although this agreement was extended on February 17, 2022 to May 17, 2023 and subsequently, convertible debenture was reclassified as a current promissory note payable without interest, conversion or repayment terms

Effective June 30, 2023, \$452,364 in accrued salaries and \$123,700 in trade payables were reclassified to a new non-interest-bearing promissory notes under non-current long term liabilities due June 30, 2025, and \$505,586 (\$368,814 in new non-interest-bearing promissory notes and accretion of \$136,772) were reclassified as non-current long term liabilities due June 30, 2025.

The cash position is \$nil at June 30, 2023 with bank indebtedness of \$50,071 compared a cash position of \$31,180 at December 31, 2022.

In Q2 2023, the Company's investment in inventory was \$53,049 with inventory finished goods being \$2,072 and raw materials of \$50,977 compared to investment in inventory of \$52,774 with finished goods of \$4,007 and raw materials of \$48,767 at December 31, 2022. Prepaid and Deposits were \$16,982 at June 30, 2023 versus \$9,740 at December 31, 2022. These payments are with regards to overseas supplier prepayment of raw material purchases.

At the time of release of this MD&A, the Company's cash position is \$nil and management believes the Company will require an injection of capital to ensure adequate operating working capital. On February 28th 2020 the Company arranged an interim short-term loan of \$75,000 at an interest rate of 12% pa through friends and family to continue a steady expansion of its business over the coming months. The Company also received the Canada Emergency Business Account ("CEBA") interest-free loan of \$60,000 of which \$10,000 is forgivable if repaid by December 31, 2022 and \$20,000 is payable on demand (Note 10). While we are funding the cash deficit position by managing our payments to suppliers, forecasted sales, and postponement of staff salaries, we believe in order to continue our existing operations, the Company will be required to raise additional funding. In addition, any unforeseen downturn in sales or, alternatively, pursuit of a more aggressive growth strategy would necessitate additional equity investment, debt or convertible debentures. The Company had signed a definitive agreement on March 15, 2022 with Electrum Charging Solutions that is discussed later in this report under "Proposed Transaction". On execution of the definitive agreement on March 15 2022, it was agreed that Electrum Charging Solutions will make available to the Company an unsecured bridge loan of cumulative advances of up to \$100,000 to pay expenses of the Company, due and payable in the ordinary course of keeping the Company compliant with the requirements of the regulators and convertible into Tinkerine Studio common shares subject to TSX-V approval. As at June 30, 2023, \$100,000 has been received by the Company. During the six-month period ended June 30, 2023, the Company secured an additional bridge loan of \$29,927 and bank indebtedness of \$50,071.

CAPITAL RESOURCES

As at June 30, 2023, the Company's share capital was \$4,382,373 representing 49,675,849 issued and outstanding common shares without par value. There were no changes in shares issued for the three-month and six-month periods ended June 30, 2023 and June 30, 2022.

Reserves, representing the fair value of stock options outstanding and vested and warrants issued, is recorded as at June 30, 2023 at \$298,515 (December 31, 2022 - \$298,515). For the six-month period ended June 30 2023, nil (2022 – 1,125,000) share options were cancelled or expired and the Company reallocated nil (2022-\$75,260) from reserves to deficit.

As at June 30, 2023 the Company had 5,575,000 stock options outstanding with a weighted average exercise price of \$0.12 and an average remaining term of 2.01 years. There are no warrants outstanding as at June 30, 2023 or 2022.

OFF-BALANCE SHEET ARRANGEMENTS

The Company does not have any off-balance sheet arrangements as at June 30, 2023 and to the date of this MD&A.

FINANCIAL INSTRUMENTS AND OTHER INSTRUMENTS

On December 5 2020, the Company entered into an agreement with employees to settle wages payable to them. Under the agreement, the Company may, subject to TSX Venture Exchange approval, settle the wages payable with shares similar to unsecured convertible debentures, with no interest or dividend, payable in cash or shares no earlier than February 16, 2022 and extended maturity date of May 17, 2023 and subsequently, convertible debenture was reclassified as a current promissory note payable without interest, conversion or repayment terms. The total amount of wages payable was \$599,087. This convertible promissory note has since been extinguished and a gain of \$110,083 recorded in the income statement

The Company does not have any other instruments as at June 30, 2023 and to the date of this MD&A.

Management believes current cash resources are likely insufficient to fund its business plan over the next twelve months and therefore intend to seek further equity injection including alternative financing options.

OUTSTANDING SHARE INFORMATION

The Company's authorized capital is unlimited common shares without par value. As at August 29, 2023, the following common shares, options and share purchase warrants were outstanding:

As at August 29, 2023	Number of issued and outstanding

Common Shares	49,675,849
Stock Options	5,575,000
Warrants	-
Total Shares – Fully diluted	55,250,849

TRANSACTIONS WITH RELATED PARTIES

Balances due to related parties are unsecured, non-interest bearing and have no fixed terms of repayment. Included in trade payables and account liabilities at June 30, 2023 included in trade payables is \$80,900 (December 31, 2022 - \$68,963), which is due to directors and officers of the Company and included in accrued liabilities is \$nil (December 31, 2022 - \$138,183), that is due to directors and officers of the Company. The Company signed a month-to month rental lease with a director, Eugene Suyu in December 2022 that has been renewed as of January 1st 2023.

Effective June 30, 2023, \$225,183 in accrued liabilities due to directors and officers of the Company were reclassified to a non-interest-bearing promissory note under non-current long term liabilities due June 30, 2025.

Key management personnel compensation

During the six months ended June 30, 2023, for the officers of the Company, compensation of key management personnel as remuneration, fees and short-term benefits was \$151,287 (2022 – \$112,500). Stock-based compensation attributable to options held by directors and officers in the six months ended June 30, 2022 was \$nil (2022 - \$9,300).

Officers and directors

The following individuals were elected directors at the June 15, 2023 AGM and continue to the date of this MD&A. Their officer positions are also set out below.

- Eugene Suyu -- Chief Executive Officer, President and Director
- Justin Sy – Director and CTO
- Todd Blatt-- Director
- Raj Ravindran - Director
- Chris Lee – Chief Financial Officer

PROPOSED TRANSACTION

The Company has announced that it has entered into a Definitive Agreement (“DA”) dated March 15, 2022 with respect to a potential business combination (the “Transaction”) with Electrum Charging Solutions Inc., an arm’s length third party (“Target”, “Electrum” or “ECS”), which would result in a reverse-takeover (“RTO”) of the Company by shareholders of Electrum. The RTO is expected to be completed by way of triangular amalgamation, result in the Target becoming a wholly-owned subsidiary of Company (the “Resulting Issuer”). The Resulting Issuer will carry on the business previously executed by Electrum upon completion of the RTO. The Definitive Agreement has been extended to September 30, 2023. There is no assurance that this proposed Transaction will be completed prior to September 30, 2023.

The DA is subject to the receipt of all necessary third-party approvals and the standard terms and conditions concerning the due diligence review of Target, including financial statements, potential liabilities and material contracts. The DA further contemplates that all of the common shares in the capital of Target will be exchanged for common shares of Company at a ratio resulting in the shareholders of Target, owning approximately 95% of the Resulting Issuer and the shareholders of Company owning approximately 5% of the Resulting Issuer on an undiluted basis, not including any shares to be issued pursuant to the private placement financing discussed below. The RTO does not constitute a non-arm’s length transaction. It is contemplated that various employees of TTD will continue to be employed by ECS.

CHANGES IN ACCOUNTING POLICIES

There were no changes in accounting policies for the year under review.

Additional information relating to the Company is on SEDAR+ and www.sedarplus.ca.

APPROVAL

The Board of Directors of the Company has approved the disclosure contained in this MD&A on August 29, 2023.

CAUTION REGARDING FORWARD-LOOKING INFORMATION

The MD&A contains forward-looking statements and forward-looking information (collectively, “forward-looking statements”) within the meaning of applicable Canadian and US securities legislation. These statements relate to future events or the future activities or performance of the Company. All statements, other than statements of historical fact are forward-looking statements. Forward-looking statements are typically identified by words such as: believe, expect, anticipate, intend, estimate, postulate and similar expressions, or which by their nature refer to future events. These forward looking statements include, but are not limited to, statements concerning:

- the Company’s strategies and objectives, both generally and in respect of its existing business and planned business operations;
- the Company’s plan to grow sales and expand its distribution network;
- the Company’s future cash requirements;
- general business and economic conditions;
- the Company’s ability to meet its financial obligations as they come due, and to be able to raise the necessary funds to continue operations; and,
- the timing, pricing, completion, regulatory approval of proposed financings, such as any future funding alternatives

Although the Company believes that such statements are reasonable, it can give no assurance that such expectations will prove to be correct. Inherent in forward looking statements are risks and uncertainties beyond the Company’s ability to predict or control, including, but not limited to, risks related to the Company’s ability to raise the necessary capital or to be fully able to implement its business strategies, and other risks identified herein under “Risk Factors”.

The Company cautions investors that any forward-looking statements by the Company are not guarantees of future performance, and that actual results are likely to differ, and may differ materially, from those expressed or implied by forward looking statements contained in this report. Such statements are based on a number of assumptions, which may prove incorrect, including, but not limited to, assumptions about:

- general business and economic conditions;
- conditions in the financial markets generally, and with respect to the prospects for small capitalization commercial/technology companies specifically;
- the Company’s ability to roll out its business plan which includes new product launches and associated planning in production, sales, distribution and marketing;
- the Company’s ability to secure and retain employees and contractors to carry out its business plans;

These forward-looking statements are made as of the date hereof and the Company does not intend and does not assume any obligation, to update these forward-looking statements, except as required by applicable law. For the reasons set forth above, investors should not attribute undue certainty to or place undue reliance on forward-looking statements.

Historical results of operations and trends that may be inferred from the following discussion and analysis may not necessarily indicate future results from operations.

BUSINESS RISK FACTORS

Each of the following factors could have a material adverse effect on the Company's financial condition and results of operations.

3D Printing Industry: The Company operates in the desktop market (alternatively described as the consumer segment) of the 3D printing industry. The desktop market has existed since 2008. Although projected to grow at a high rate, this segment can be viewed as being an early adopter stage market. The ability for the Company to successfully negotiate this market represents a substantial risk.

New Product Launch: The Company recently announced the launch of its online modular skills development platform and Tinkerine cloud program. Users can discover and learn 3D printing and skills with Tinkerine. The program is designed with a number of different users in mind including; 1) students seeking to develop 21st century skills through hands-on learning in their school programs, 2) entrepreneurs seeking a cost efficient prototype and seeking to test their design ideas, 3) small businesses seeking to launch new products or create small scale production runs and lastly 4) makers who seek to apply advance manufacturing to enhance their joy and upgrade their skills for their maker projects. All these user types can also explore Tinkerine's 3D printing courses in video at one's own pace. Tinkerine now provides a singular platform to skill up these individuals and businesses with 21st century tools needed to compete in a fast-paced world together with a powerful workflow system to optimize additive manufacturing. In addition, 3D printing has an array of applications across many industries and is critical in the ability of businesses to be agile and innovative in today's manufacturing uncertainty which makes 3D printing a highly desirable and competitive centric technology. Tinkerine's expansion into 3D content development, and the 3D suite of products that the Company is developing will provide the 3D knowledge baseline required by individuals and companies that are seeking manufacturing alternatives closer to their market using advance additive manufacturing. Although there is a need for 3D education in the 3D printer market, and has potential to grow at a high rate there remains significant risk that this platform will require time for adoption and therefore will require a significant investment to ensure its successful implementation

Consulting Services The Company launched its consulting services in March 2022 and offers, hardware, software, business development, marketing and financial advisory services to clients. Due to the nature of consultancy services, there is no obligation or expectation that clients will continue to require such services long term.

Dependence upon key personnel: The success of the Company's operations will also depend upon its ability to attract and retain talented and qualified personnel. The Company currently has a small management team, several of which can be considered key to expanding the Company's business operation, the loss of which would likely be detrimental to the Company.

Competition: The desktop market of the 3D printing industry is competitive with several direct competitors having much greater financial resources than the Company and operating experience. Furthermore, the desktop market is undergoing a period of rapid innovation with many of the participants striving to improve the technology and the flexibility of the products. These factors combine to make the competitive environment a substantial risk.

Financing risks: The Company's existing financial resources have come from the issue of new equity and loans and may be viewed as limited. Further the Company has negative operating cash flow and a bank indebtedness of \$50,071 compared to a cash balance of \$31,180 as at December 31, 2022. Therefore, without growth in operating cash flow the Company will require further equity capital injection(s) to sustain itself. There can be no assurance that the Company will be able to obtain adequate financing in the future or that the terms of such financing will be favorable.

Dilution to the Company's existing shareholders: Any future equity issues may be dilutive to present and prospective holders of common shares.

Regulatory requirements: The activities of the Company are subject to regulations governing various matters, including but not limited to standards and certifications for electronic devices, employment standards for employees engaged in manufacturing and assembly, export and import regulations and duties, and sales and goods and service tax compliance. While the Company endeavors to remain compliant in all such aspect, the inability to do so could have an adverse effect on its ability to continue to operate.

Foreign currency risk: The Company's functional and reporting currency is the Canadian dollar. The Company incurs foreign currency risk on purchases that are denominated in a currency other than the functional currency of the Company, which will have an impact on the profitability of the Company and may also affect the value of the Company's assets, liabilities and the amount of equity. The Company's main risks are associated with fluctuations in the US dollar as a substantial portion of its parts and materials purchases are denominated in US dollars and a portion of its sales are denominated in US dollars. The Company does not utilize foreign exchange hedging contracts.

The COVID-19 pandemic and its effect on the Company's business

In an effort to contain and mitigate the spread of COVID-19, many countries including, Canada, have imposed unprecedented restrictions on travel, and there have been business closures and a substantial reduction in economic activity in countries that have had significant outbreaks of COVID-19. The Company's business may be impacted by the COVID-19 outbreak, specifically, disruptions in the Company's supply chain, including disruptions from the Company's suppliers, as a result of industry closures relating to containment of COVID-19 may result in the declaration by the Company's suppliers of force majeure, which may result in the Company's inability to complete orders in accordance with the agreed order schedule. In addition, the Company's customers may determine to delay their decisions in connection with new orders as they assess the impact of COVID-19 on their businesses. It is currently not possible to predict how long the pandemic will last or the time that it will take for economic activity to return to prior levels. The COVID-19 pandemic has resulted in significant financial market volatility and uncertainty over the past months. A continuation or worsening of the levels of market disruption and volatility seen in the recent past could have an adverse effect on the Company's ability to access capital, business, results of operations and financial condition, and on the market price of the Common Shares. The extent of this potential disruption on the Company's business cannot be assessed as the full extent of the pandemic and its full impact on the global economy cannot be predicted.

The Company's markets are exposed to recessionary risk

A Canadian or global recession may result in lost or delayed sales orders, as many of the Company's existing and targeted customers may cut back their proposed capital spending in the face of economic uncertainty. This would impact the ability of the Company to grow its business and, as a result, sales orders may be lower than expected. Any decrease in sales would negatively impact the Company's cash flows and other financial results.

<p>REGISTERED OFFICE 1500-1055 West Georgia Street Vancouver, British Columbia, Canada V6E 4N7</p> <p>HEAD OFFICE and OPERATIONS</p> <p>Tinkerine Studios Ltd. 113A – 8275 92nd Street Delta, British Columbia, Canada</p> <p>OFFICER & DIRECTORS</p> <p>Eugene Suyu <i>Director and CEO</i></p> <p>Justin Sy <i>Director and CTO</i></p> <p>Todd Blatt <i>Director</i></p> <p>Raj Ravindran <i>Director</i></p> <p>Chris Lee <i>CFO</i></p>	<p>LISTINGS</p> <p>TSX Venture Exchange: TTD.V OTC Pink: TKSTF</p> <p>CAPITALIZATION (as at August 29, 2023) Shares Issued: 49,675,849</p> <p>TRANSFER AGENT Computershare 3rd Floor, 510 Burrard Street Vancouver, British Columbia V6C 3B9</p> <p>AUDITORS Dale Matheson Carr-Hilton LaBonte LLP 1500 – 1140 West Pender Street Vancouver, British Columbia V6E 4G1</p> <p>LEGAL COUNSEL McMillan LLP Royal Centre 1500 – 1055 West Georgia Street Vancouver, British Columbia V6E 4N7</p>
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