Adcore Inc. has refiled its management discussion and analysis for the three and nine months ended September 30, 2021 and 2020 due to a typographical error in the geographical classification of revenues.

Adcore Inc.

MANAGEMENT`S DISCUSSION AND ANALYSIS

FOR THE THREE AND NINE MONTHS ENDED SEPTEMBER 30, 2021 AND 2020

Dated November 9, 2021

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This management's discussion and analysis ("**MD&A**") relates to the operating results and financial position and cash flows of Adcore Inc. (the "**Company**" or "**Adcore**") and its wholly owned subsidiaries (the "**Subsidiaries**") Podium Advertising Technologies Ltd., ("**Podium**"), Adcore Australia Pty., ("**Adcore AU**") Adcore US Inc. ("**Adcore US**"), Amphy EdTech Ltd., ("**Amphy**") and Adcore East Limited ("**Adcore East**"), which holds Adcore China ("**Adcore CH**"), as of and for the three and nine months ended September 30, 2021. This analysis should be read in conjunction with the interim condensed consolidated financial statements of the Company as at and for the three and nine months ended September 30, 2021 (the "**Interim Condensed Consolidated Financial Statements**"). The Interim Condensed Consolidated Financial Statements include the accounts of the Company and the Subsidiaries, and all inter-company balances and transactions have been eliminated on consolidation. For the avoidance of doubt, any reference to the Company in this MD&A fully incorporates and includes any subsidiary of the Company and/or any other future subsidiary of the Company.

The Interim Condensed Consolidated Financial Statements of the Company, and extracts of those financial statements provided in this MD&A in accordance with International Financial Reporting Standards ("**IFRS**"). References to the symbol "CAD$" mean the Canadian dollar. References to the symbol "NIS" mean the New Israeli Shekel, the official currency of Israel. Except as otherwise set out herein, all amounts expressed herein are in thousands of United States dollars, denominated by "$" or "US$", the functional currency of the Company. As a result of the rounding of dollar differences, certain total dollar amounts in this MD&A may not add exactly to their constituent amounts. Throughout this MD&A, percentage changes are calculated using numbers rounded as they appear. Readers are cautioned that this MD&A contains certain forward-looking information. Please see the "Forward Looking Statements" section which follows.

The information in this report is dated as of November 9, 2021.

FORWARD-LOOKING STATEMENTS

This MD&A contains "forward looking statements" that reflect the Company's current expectations and projections about its future results. When used in this MD&A, forward looking statements can be identified by the use of words such as "may", or by such words as "will", "intend", "believe", "estimate", "consider", "expect", "anticipate", and "objective" and similar expressions or variations of such words. Forward looking statements are, by their nature, not guarantees of the Company's future operational or financial performance and are subject to risks and uncertainties and other factors that could cause the Company's actual results, performance, prospects or opportunities to differ materially from those expressed in, or implied by, these forward-looking statements. No representation or warranty is intended with respect to anticipated future results, or that estimates or projections will be sustained.

In developing the forward-looking statements in the MD&A, the Company has applied several material assumptions, including the availability of financing on reasonable terms, the Company's ability and general business and economic conditions. However, considering the ongoingly changing circumstances related to the COVID-19 pandemic, it is difficult to predict how significant the adverse impact of this pandemic will be on the global economy, the business, operations and financial position of the Company's clients and the business, operations, and financial position of the Company. Many risks, uncertainties and other factors could cause the actual results of the Company to differ materially from the results, performance, achievements or developments expressed or implied by such forward-looking statements. These risks, uncertainties and other factors include, but are not limited to the following: overall economic conditions, rapid technological changes, demand for the Company's products or services, the introduction of competing technologies, competitive pressures, network restrictions, fluctuations in foreign currency exchange rates, and other similar factors that may cause the actual results, performance or achievements to differ materially from those expressed or implied in these forward-looking statements. In addition, the effects of COVID-19, including the duration, spread and severity of this pandemic, create additional risks and uncertainties for the Company. Specifically, the impact of COVID-19 and government authorities' related responses may affect the Company's actual results, performance, and the safety of the Company's employees worldwide. Readers are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date of the MD&A or as of the date otherwise specifically *indicated herein. Due to risks and uncertainties, including the risks and uncertainties elsewhere in this MD&A, actual events may differ materially from current expectations. The Company disclaims any intention or obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise. All forward-looking statements contained in the MD&A are expressly qualified in their entirety by this cautionary statement.*

OVERVIEW

Adcore is a digital advertising technology company. Using machine learning artificial intelligence ("**AI**") technology, Adcore's suite of software-as-a-service ("**SaaS**") products provide digital advertisers with smart algorithm-powered automation tools and reporting and analytics in order to help them improve online advertising effectiveness, maximize their return on advertising investment, and scale-up their digital campaigns. Adcore's customers include customers from Asia-Pacific, Europe, the Middle East, and North America, including enterprise companies, and small- and medium-sized businesses.

Adcore's technology developers use machine learning, the branch of AI involving systems that learn from data. Large volumes of data are gathered, and Adcore's proprietary learning algorithms are designed to generalize from that data to other cases of interest. Rapidly shifting data combined with a large volume of data requires training algorithms which are the foundation of Adcore's search engine marketing platform.

Adcore offers its four SaaS solutions under one scalable cloud-based platform, the Adcore Marketing Cloud ("**AMC**"). SEMDOC² provides advertisers a powerful account auditing solution, utilizing both machine learning and smart algorithms to formulate 52 key insights and metrics on the account and campaign level. SEMDOC²'s powerful visual dashboard gives advertisers a clean and simple user interface to pin-point exact areas of weakness and missed opportunities – guiding them to superior results. Adcore VIEWS is a search automation solution which provides advertisers with a powerful algorithm bid management feature, which utilizes both machine learning and historical data which optimize and manage advertisers' campaigns in the most efficient manner, ensuring their targets are met as effectively as possible. Adcore VIEWS also gives its users the ability to create and automate their own rule based campaign management machine, which runs according to each users specified needs. FEEDITOR offers advertisers online shopping automation capabilities. From its ability to automate over one million campaigns to its inventory plug-in, FEEDITOR ensures that advertisers' ads are always up-to-date and in sync with their inventory. FEEDITOR uses machine learning algorithms to ensure that ads are seen at the right place, at the right time, for the right amount of money. Altogether, the Adcore Technology suite combines the industry's leading automation and machine-learning – in order to ensure that advertisers reach the highest return on investment and scale in the most effective manner. Effortless Marketing is a holistic marketing solution for Shopify store owners from feed creation and submission to smart campaign creation and performance tracking. Effortless Marketing makes it easy to promote products on Google, Facebook & Microsoft, among others and target shoppers searching for products. The innovative solution is fully customizable and allows store owners to select feed criteria, create ad campaigns, track ad performance and adjust budgeting. The app is a multi-country, multi-currency solution that enables advertisers to maximize product sales at their store by tracking traffic and sales for their digital marketing campaigns, with the option to adjust budgets and goals without leaving the App

RESULTS OF OPERATIONS

Summary of quarterly results (in thousands of US$):

The following unaudited table sets out selected financial information for the Company on a consolidated basis for the last eight most recently completed quarters. The unaudited quarterly information has been prepared in accordance with IFRS:

	September 30, 2021	**June 30, 2021**	**March 31, 2021**	**December 31, 2020**	**September 30, 2020**	**June 30, 2020**	**March 31, 2020**	**December 31, 2019**
Total revenues	8,269	5,694	6,807	10,204	3,023	1,455	2,315	3,160
Gross profit	1,861	2,620	1,576	2,249	1,824	1,208	1,575	2,237
Total comprehensive income (loss)	(254)	(558)	(53)	(23)	300	140	231	990
Basic profit per share	(0.004)	(0.009)	(0.001)	0	0.005	0.003	0.004	0.02
Diluted profit per share	(0.004)	(0.009)	(0.001)	0	0.005	0.002	0.004	0.02

The Company's financial results and revenues may vary from quarter to quarter as a result of a variety of factors, some of which are outside of the Company's control, such as the COVID-19 pandemic, seasonality and cyclicality. The seasonality and cyclicality of the Company's revenues depends upon the seasonality and cyclicality of its customers. For example, advertisers in the retail sector may spend the largest portion of their advertising budgets during the fourth quarter, in preparation for the holiday shopping season, whereas advertisers in the travel industry may concentrate their spending during the third quarter, to coincide with consumer patterns and trends. The Company's financial results and revenues varied over the last eight most recently completed quarters also as a result of COVID-19, most notably during the: (i) three month period ended June 30, 2020, in which the Company's revenues decreased by 45% compared to the three month period ended June 30, 2019 ; (ii) during the three month period ended December 31, 2020, in which the Company's revenues increased by 219% compared to the three month period ended December 31, 2019. This increase was driven primarily by the accelerated growth of e-commerce and the digital transformation process, which began with the outbreak of COVID-19 in early 2020 and was reflected mainly in the last quarter of the year ended 2020. As part of the digital transformation process the Company experienced significant increases in its revenues from its direct clients' revenue stream, which have lower profit margins compared to indirect clients. This significant revenue growth derived from increases in existing direct clients' online spending (same store growth) and in acquisition of new direct clients across all regions and; (iii) during the nine month period ended September 30, 2021, in which the Company's total comprehensive income decreased to ($865) from $617 compared to the nine month period ended September 30, 2020. This decrease was driven primarily by the launch of Amphy, which was founded in 2020 in the midst of the pandemic.

Significant Developments for the three and nine months ended September 30, 2021 and to the date of this report

On January 6, 2021, Adcore Inc. announced its strategic initiatives to support the Company's continued growth in 2021, as it prepares for dual-listing in the U.S.

On January 18, 2021, Adcore Inc. announced that Omri Brill, Adcore's CEO will present at the World Outlook Financial Conference on Saturday, February 6, 2021.

On January 28, 2021, Adcore Inc. announced that Adcore AU has been named Best PPC Agency at the APAC Search Awards 2021 and also received the Silver Award for Search & Shopping, for its activity with one of its key e-commerce clients in the region.

On February 4, 2021, Adcore Inc. announced that it has engaged Virtus Advisory Group to assist enhancing the Company's exposure to the Canadian investment community.

On February 23, 2021, Adcore Inc. announced that it has secured conditional approval to list its common shares on the Toronto Stock Exchange (the "**TSX**") and graduate from the TSX Venture Exchange.

On March 4, 2021, Adcore Inc. announced that the Company has received final approval to list its common shares of the Company on the TSX.

On March 8, 2021, Adcore Inc. announced that it will be hosting an investor webinar via Zoom, on Wednesday, March 10, 2021 at 11:00am EST hosted by CEO Omri Brill.

On March 15, 2021, Adcore Inc. announced that it will expand its presence in China with the opening of a corporate office in Shanghai.

On March 30, 2021, Adcore Inc. announced its audited financial results for the year ended December 31, 2020, highlighted by 52% YoY growth in revenues.

On April 23, 2021, Adcore Inc. announced that it has filed a preliminary short form base shelf prospectus with the securities regulatory authorities in each of the provinces and territories of Canada.

On April 26, 2021, Adcore Inc. announced that it has renewed its advertising contract with the Israeli Government Advertising Agency for another year at a potential value of USD $21 million in advertising spending.

On May 11, 2021, Adcore Inc. announced that it has filed and obtained a receipt for a final short form base shelf prospectus with the securities regulatory authorities in each of the provinces and territories of Canada.

On May 13, 2021, Adcore Inc. announced that it has signed a contract to provide its digital marketing technologies and services to MySale Group's (LON:MYSL) OzSale and NZSale websites.

On May 17, 2021, Adcore Inc. announced its financial results for the three months ended March 31, 2021, highlighted by CAD$8.6 million in revenues.

On May 25, 2021, Adcore Inc. announced that it has entered into an agreement to provide its digital marketing technologies and services to Hamashbir Lazarchan Department Stores Ltd. (TASE:MSBI), Israel's largest department store chain.

On June 9, 2021, Adcore Inc. announced that it has commenced a marketed offering of units (the "**Units**") of the Company (the "**Offering**"). Each Unit consisted of one common share of the Company and one-half of one common share purchase warrant (each whole purchase warrant, a "**Warrant**"). Each Warrant is exercisable into one Common Share for a period of 24 months from the closing of the Offering at an exercise price of $1.80, subject to adjustment in certain events. The Warrants are trading on the Toronto Stock Exchange under the symbol "ADCO.WT"

On June 11, 2021, Adcore Inc. announced the pricing and terms of the Offering.

On June 17, 2021, Adcore Inc. announced that it closed the Offering and issued 3,100,000 Units at $1.33 per Unit for gross proceeds of CAD$4,123,000.

On June 28, 2021, Adcore Inc. announced that its common shares are now qualified for trading under the ticker symbol ADCOF on the OTCQX® Best Market.

On July 9, 2021, Adcore Inc. announced that it will unveil its new innovative marketplace at a special launch event on Wednesday, July 21, 2021 at 10:30 AM EST.

On July 19, 2021, Adcore Inc. announced that its common shares are now eligible for electronic clearing and settlement through the Depository Trust Company ("DTC") in the United States.

On July 21, 2021, Adcore Inc. announced the official launch of Amphy, the world's most diverse 24/7 live online learning marketplace.

On July 27, 2021, Adcore Inc. announced the appointment of Oded Orgil as an independent director of the Company, replacing Jason Saltzman, which will continue to act as the Company's Canadian legal counsel through the law firm Gowling WLG. Mr. Orgil will also serve on a reconstituted audit committee of the Company together with Mr. Ronnie Jaegermann (Chair) and Mr. Sokhie Puar.

On August 10, 2021, Adcore Inc. announced its financial results for the three and six months ended June 30, 2021, highlighted by CAD$7.0 million in revenues and Adjusted EBITDA of CAD$1.5 million.

On September 1, 2021, Adcore Inc. announced that it will be featured on the program "Money Talks With Michael Campbell" on Saturday, September 11, 2021, and that effective August 31, 2021, it has discontinued its investor relations services agreement with Virtus Advisory Group ("Virtus"), pursuant to which Virtus provided certain investor relations consulting services to the Company alongside IMS Investor Relations, which will continue its current role.

On September 14, 2021, Adcore Inc. announced that it will unveil its Adcore Marketing Cloud at a special launch event on Wednesday, September 22, 2021. During the event, Adcore management presented its new AMC solution which brings together the Company's four applications under one scalable cloud-based platform.

On September 20, 2021, Adcore Inc. announced that it has established Adcore US Inc., a wholly-owned U.S. Delaware subsidiary as part of its strategic plan to expand its operations to address the increasing demand for digital marketing solutions in the U.S. market.

On October 5, 2021, Adcore Inc. announced that Amphy is launching its "social commerce" feature across all its classes. Social commerce allows users to invite friends to share an Amphy class together, providing both the users and their friends with a significant discount on the original class price.

Selected information for the three and nine months ended September 30, 2021 and 2020

The following table provides selected financial information from the Interim Condensed Consolidated Financial Statements of the Company for the three and nine months ended September 30, 2021 and 2020:

	Note	Three months ended September 30, 2021	Three months ended September 30, 2020	Nine months ended September 30, 2021	Nine months ended September 30, 2020
		$ in thousands*			
Revenues	4	8,275	3,023	20,770	6,793
Cost of revenues		6,408	1,199	14,713	2,187
Gross profit		**1,867**	**1,824**	**6,057**	**4,606**
Research and development expenses		274	245	907	582
Selling, general and administrative expenses		1,571	1,053	4,903	2,901
Operating profit		**22**	**526**	**247**	**1,123**
Finance expenses	3	187	114	733	220
Finance income		-	(58)	(120)	(64)
Profit (Loss) before taxes on income		**(165)**	**470**	**(360)**	**967**
Tax expenses		89	171	505	296
Total comprehensive Profit (Loss) for the period		**(254)**	**300**	**(865)**	**671**
Basic Profit (Loss) per share attributable to shareholders		(0.004)	0.005	(0.014)	0.012
Diluted Profit (Loss) per share attributable to shareholders		(0.004)	0.005	(0.014)	0.011
Weighted average number of ordinary shares		63,193,570	55,929,410	60,357,349	55,708,706
Weighted average number of dilutive ordinary shares		63,193,570	59,717,532	60,357,349	59,496,828

Revenues

For the three and nine months ended September 30, 2021, total revenues amounted to $8,275 and $20,776, respectively, compared to $3,023 and $6,793 for the three and nine months ended September 30, 2020.

The increase in revenue by $5,252 and $13,983 for the three and nine months ended September 30, 2021 compared to the three and nine months ended September 30, 2020, was driven primarily by the accelerated growth of e-commerce and the digital transformation process, which began with the outbreak of COVID-19 in early 2020. The Company experienced significant increases in its existing direct clients' online spending (same store growth) and in its acquisition of new direct clients across all regions. The Company's investment in its global expansion proved itself as the Company was able to increase activity in each region in which it operates, especially in the APAC region.

As shown in the table below of the Company's two revenues streams breakdown:

For the three and nine months ended September 30, 2021, the direct advertiser customers revenue stream amounted to $7,797 and $19,805, respectively, compared to $1,444 and $2,996 for the three and nine months ended September 30, 2020, an increase of $6,353 and $16,809.

For the three and nine months ended September 30, 2021, the indirect customers revenue stream amounted to $478 and $971, respectively, compared to $1,579 and $3,797 for the three and nine months ended September 30, 2020, a decrease of $1,101 and $2,826.

	Three months period ended September 30, 2021	**Three months period ended September 30, 2020**	**Nine months period ended September 30, 2021**	**Nine months period ended September 30, 2020**
Direct	7,797	1,444	19,805	2,996
Indirect	478	1,579	971	3,797
Total	**8,275**	**3,023**	**20,776**	**6,793**

The Company's revenues may vary from quarter to quarter as a result of a variety of factors, some of which are outside of the Company's control, such as the COVID-19 pandemic, seasonality and cyclicality. The seasonality and cyclicality of the Company's revenues depends upon the seasonality and cyclicality of its customers. For example, advertisers in the retail sector may spend the largest portion of their advertising budgets during the fourth quarter, in preparation for the holiday shopping season, whereas advertisers in the travel industry may concentrate their spending during the third quarter, to coincide with consumer patterns and trends.

Cost of revenues

Cost of revenues consist primarily of media costs, account managers salaries and related expenses and others.

For the three and nine months ended September 30, 2021 cost of revenues amounted to $6,408 (77% as a percentage of revenues) and $14,713 (71% as a percentage of revenues), respectively, compared to $1,199 (40% as a percentage of revenues) and $2,187 (32% as a percentage of revenues) for the three and nine months ended September 30, 2021, which resulted from an increase in media budgets of direct clients.

Gross profit

For the three and nine months ended September 30, 2021, gross profit amounted to $1,861 (23% as a percentage of revenues) and $6,057 (29% as a percentage of revenues), respectively, compared to $1,824 (60% as a percentage of revenues) and $4,606 (68% as a percentage of revenues) for the three and nine months ended September 30, 2020. The increase in gross profit was largely attributable to client acquisition and the large increase in existing clients' activity, driven by the accelerated growth of e-commerce and the digital transformation process, while the decrease in gross margin was attributable to the large increase in direct clients' activity, which have lower profit margins compared to indirect clients.

Research and development expenses

Expenditure incurred on development activities including the Company's development is capitalized where the expenditure will lead to new or substantially improved products and only if all the following can be demonstrated: (i) the product is technically and commercially feasible; (ii) the Company intends to complete the product so that it will be available for use or sale; (iii) the Company has the ability to use the product or sell it; (iv) the Company has the technical, financial and other resources to complete the development and to use or sell the product; (v) the Company can demonstrate the probability that the product will generate future economic benefits; (vi) the Company is able to measure reliability the expenditure attributable to the product during the development.

For the three and nine months ended September 30, 2021, research and development expenses amounted to $274 and $907, respectively, compared to $245 and $582 for the three and nine months ended September 30, 2020. The increase was largely attributable to the research and development efforts required to continue the development of SEMDOC², FEEDITOR, Adcore Views and Effortless Marketing (the "**Apps**"), specifically focusing on: (i) creating a new UI/UX for the Apps; (ii) setting the foundation for Adcore NG, a new version of each of the Apps and the base for the AMC; and (iii) adding a "One-click" smart campaign creation feature for Adcore Views.

Selling, general and administrative expenses

Selling, general and administrative expenses for the three and nine months ended September 30, 2021 amounted to $1,571 and $4,903, respectively, compared to $1,053 and $2,901 for the three and nine months ended September 30, 2020, an increase of $518 and $2,002. The increase was attributable mainly to the expenses related to the Offering, the listing on the TSX, commencement of trading on the OTCQX and the increase in the Company's salary and related expenses due to the Company's global expansion, including the opening of the Company's office in Shanghai and the establishment of Adcore US.

Operating profit

For the three and nine months ended September 30, 2021 operating profit amounted to $16 and $247, respectively, compared to $526 and $1,123 for the three and nine months ended September 30, 2020, a decrease of $510 and $876. The decrease was largely attributable to the increase in selling, general and administrative expenses.

Financial expenses

For the three and nine months ended September 30, 2021 financial expenses amounted to $181 and $766, respectively, compared to $114 and $220 for the three and nine months ended September 30, 2020. This increase was largely attributable to warrants FMV revaluation.

Financial income

For the three and nine months ended September 30, 2021 financial income amounted to $0 and ($159), respectively, compared to ($58) and ($64) for the three and nine months ended September 30, 2020. This increase was largely attributable to warrants FMV revaluation.

Taxes on income

The effective Israeli tax rate, which is the primary tax rate of the Company for the three and nine months ended September, 2021 and 2020 was 12%.

For three and nine months ended September 30, 2021 tax expenses amounted to $89 and $505, compared to $171 and $296 for the three and nine months ended September 30, 2020, an decrease of $82 and an increase of $209, respectively.

Non-IFRS Financial Measures

This MD&A includes certain measures which have not been prepared in accordance with IFRS such as Adjusted EBITDA. Adjusted EBITDA does not measure of performance under IFRS and should not be considered in isolation or as a substitute for net and comprehensive income or loss prepared in accordance with IFRS or as a measure of operating performance or profitability. Adjusted EBITDA does not have a standardized meaning prescribed by IFRS and is not necessarily comparable to similar measures presented by other companies.

<u>Adjusted EBITDA for the three and nine months ended September 30, 2021 and 2020</u>

"Adjusted EBITDA" refers to net income (loss) before after adjusting for interest expense, income tax expense (recovery), foreign exchange (gain) loss, depreciation and amortization, share-based compensation expense, transaction costs, adjustments to acquisition related contingent consideration, loss on disposal of assets, impairment of intangible assets, and other non-recurring one-time items. The Company believes that adjusted EBITDA is useful supplemental information as it provides an indication of the results generated by the Company's main business activities prior to taking into consideration how those activities are financed and taxed and also prior to taking into consideration depreciation of property and equipment and the other items listed below. It is a key measure used by the Company's management and board of directors to understand and evaluate the Company's operating performance, to prepare the Company's annual budget, and to develop the Company's operating plans.

Management believes that these non-IFRS financial measures reflect the Company's ongoing business in a manner that allows for meaningful comparisons and analysis of trends in the Company's business, as they exclude expenses and gains that are not reflective of the Company's ongoing operating results. Management also believes that these non-IFRS financial measures provide useful information to investors in understanding and evaluating the Company's operating results and future prospects in the same manner as management and in comparing financial results across accounting periods and to those of peer companies.

The non-IFRS financial measures do not replace the presentation of the Company's IFRS financial results and should only be used as a supplement to, not as a substitute for, the Company's financial results presented in accordance with IFRS.

The non-IFRS adjustments, and the basis for excluding them from non-IFRS financial measures, are outlined below:

- <u>Amortization of internally generated capitalized development costs</u> - The Company is required to amortize the intangible assets, included in its IFRS financial statements, related to internally generated capitalized development costs. The amortization of internally generated capitalized development costs are non-cash charges. Management believes that such changes do not reflect the Company's operational performance. Therefore, the Company excluded amortization of internally generated capitalized development costs to provide investors with a consistent basis for comparing pre- and post-transaction operating results.

- <u>Share-based payments</u> - this adjustment is for share-based awards granted to certain individuals. They are non-cash and affected by the Company's historical stock prices which are irrelevant to forward-looking analyses and are not necessarily linked to the Company's operational performance.

- Offering, listing & global expansion expenses – This adjustment is for the one-time accumulated expenses related to the Offering, the graduation to the TSX, commencement of trading on the OTCQX and the Company's launch of the Shanghai office. Management believes that such changes do not reflect the Company's operational performance. Therefore, the Company excluded the items above to provide investors with a consistent basis for comparing pre and post-transaction operating results.

- Other non-recurring items – Management believes that such changes do not reflect the Company's operational performance such as legal expenses and non-recurring projects. Therefore, the Company excluded those items, to provide investors with a consistent basis for comparing pre and post-transaction operating results.

The following table presents the adjusted EBITDA for the three and nine months ended September 30, 2021 and 2020 ($ in thousands):

	Three months ended September 30, 2021	**Three months ended September 30, 2020**	**Nine months ended September 30, 2021**	**Nine months ended September 30, 2020**
	($ in thousands)			
Operating profit	**16**	**526**	**247**	**1,123**
Depreciation and amortization	170(*)	156(*)	486(*)	354(*)
Share-based payments	253	(4)	688	138
Offering, listing & global expansion	9	-	667	95
Other non-recurring items	8	-	74	-
Total Adjustments	**440**	**152**	**1,915**	**587**
Adjusted EBITDA	**456**	**678**	**2,162**	**1,710**

(*) Including the impact of IFRS 16.

LIQUIDITY AND CAPITAL RESOURCES

The Company's financial statements have been prepared in accordance with IFRS on the assumption that the Company is a going concern and will continue in operation for the foreseeable future. Hence, it is assumed that the Company has neither the intention nor the need to liquidate and is able to realize its assets and discharge its liabilities and commitments in the normal course of business. The Company has experienced profits since inception. In addition, management has determined that additional financing may be required to support operating and investing activities for the foreseeable future as the Company continues to expand its operations.

The Company believes it has sufficient cash resources to meet its current growth and development objectives. Although the Company has relied on revenue generated through its business, external funding may be required to continue growing the existing business and scaling operations. There can be no assurance that adequate funding will be available in the future, or under terms that are favorable to the Company.

The Company's revenues and operating results may fluctuate from quarter to quarter and from year to year due to a combination of factors, including, but not limited to: access to funds for working capital, the number of securities sold pursuant to any financings and market acceptance of its services.

As of September 30, 2021, cash and cash equivalents & working capital amounted to $12,173 and $10,326 respectively, compared to $8,763 and $5,813, respectively, at the year ended December 31, 2020. The increase in working capital was largely attributable to the increase in cash and cash equivalents due to ongoing activity and the Offering.

For the nine months ended September 30, 2021, net cash provided by (used in) operating activities amounted to ($630) compared to $1,097 for the nine months ended September 30, 2020. The change was largely attributable to the decrease in deferred revenues and trade accounts payable for the nine months ended September 30, 2021 compared to the nine months ended September 30, 2020.

For the nine months ended September 30, 2021, net cash used in investing activities amounted to $662 compared to $427 for the nine months ended September 30, 2020. The increase was largely attributable to the increase in capitalized development cost for the nine months ended September 30, 2021 compared to the nine months ended September 30, 2020 to $612 from $405.

For the nine months ended September 30, 2021, net cash provided in financing activities amounted to $4,702 compared to $201 for the nine months ended September 30, 2020. The increase was largely attributable to the Offering, which amounted to net proceeds of $3,032 and the exercise of warrants, which amounted to net proceeds of $1,707.

Following the Israeli government's decision to establish a dedicated loan fund to help deal with the impact of the COVID-19 pandemic on small and medium-sized businesses in Israel, in May 2020 the Company signed an agreement to receive a long-term loan for the amount of $187 from Bank Hapoalim (the "**Loan**").

According to the terms of the Loan: (i) principal payments will be deferred for twelve months from the funding date, and the Company will start paying the principal payments from the second year of the Loan; (ii) interest payments will be paid by the government for the first twelve months from the funding date, and the Company will start paying the interest payments from the second year of the Loan; (iii) other than a 5% deposit, no collateral or personal guarantees are required; (iv) the Loan is guaranteed by the Israeli government; and (v) the Loan has a maturity of five years and an interest rate of Prime +1.5%.

On June 6, 2021 the company made full repayment of the loan. As of September 30, 2021 the company doesn't have any loans from financial institutions.

Common Shares

As of September 30, 2021, the Company has 63,471,445 common shares ("**Common Shares**") issued and outstanding.

Changes in the number of issued Common Shares from December 31, 2020 to September 30, 2021 are as follows:

	Number of Common Shares
Balance December 31, 2020	56,329,336
Shares issued – Warrants exercised	2,957,609
Shares issued – Options exercised	720,000
Shares issued – RSUs exercised	364,500
Shares issued – the Offering	3,100,000
Balance September 30, 2021	**63,471,445**

Incentive Stock Options

The Company has a stock option plan (the "**Plan**"), which is intended to provide an incentive to retain, in the employ of the Company, persons of training, experience, and ability, to attract new employees, officers, directors, consultants and service providers, to encourage the sense of proprietorship of such persons, and to stimulate the active interest of such persons in the development and financial success of the Company by providing them with opportunities to purchase ordinary shares of the Company pursuant to the Plan.

The following table reflects the activity with respect to options of the Company for the nine months ended September 30, 2021 compared to the nine months ended September 30, 2020:

	Nine months ended September 30, 2021		Nine months ended September 30, 2020	
	Number of options	Weighted average Exercise price	Number of options	Weighted average Exercise price
Outstanding at beginning of year	7,744,081	CAD 0.28	7,569,081	CAD 0.26
Granted	1,492,000	CAD 1.20	880,000	CAD 0.65
Exercised	(720,000)	CAD 0.51	(285,000)	CAD 0.46
Forfeited and cancelled	(65,000)	CAD 0.84	(20,000)	CAD 0.50
Outstanding at end of period	8,451,081	CAD 0.42	8,144,081	CAD 0.29
Exercisable options	6,809,708	CAD 0.26	6,669,498	CAD 0.23

Restricted Share Units

Following the Company's shareholder's approval of the restricted share unit plan (the "**RSU Plan**") on June 29, 2020: (i) on January 3, 2021, the Company approved an aggregate grant of 296,500 restricted share units ("**RSUs**") to directors, senior officers and employees of the Company pursuant to the RSU Plan. Each vested RSU entitles the holder to receive one Common Share for a period of 4 years; and (ii) On January 15, 2021 the Company approved an aggregate grant of 15,000 RSUs to employees and senior officers of the Company pursuant to the RSU Plan. Each vested RSU entitles the holder to receive one common share of the Company for a period of 4 years; and (iii) on March 2, 2021 the Company approved an aggregate grant of 30,000 RSUs to employees and senior officers of the Company pursuant to the RSU Plan. Each vested RSU entitles the holder to receive one common share of the Company for a period of 4 years; (iv) On July 6, 2021 the Company approved an aggregate grant of 47,942 RSUs to a director of the Company pursuant to the RSU Plan. Each vested RSU entitles the holder to receive one common share of the Company for a period of 4 years; (v) On August 5, 2021 the Company approved an aggregate grant of 26,000 RSUs to employees and senior officers of the Company pursuant to the RSU Plan. Each vested RSU entitles the holder to receive one common share of the Company for a period of 4 years

Warrants

The warrants were valued based on the Black Scholes model, when adjusted for dilution. The main parameters used in the process are the expected volatility of 90%, the risk-free rate of 0.31% and the expected term range of 2 years. During the three and nine months ended September 30, 2021, 0 and 2,496,000 warrants were exercised, respectively, with an exercise price of CAD 0.75.

CONTRACTUAL OBLIGATIONS

As at September 30, 2021 the Company had no debt guarantees or long-term obligations.

OFF-BALANCE SHEET ARRANGEMENTS

The Company has no off-balance sheet arrangements that have or are reasonably likely to have a current or future material effect on its financial condition, revenues or expenses, results of operations, liquidity, capital expenditures or capital resources.

TRANSACTIONS WITH RELATED PARTIES

Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party's making of financial or operational decisions, or if both parties are controlled by the same third party. The Company has transactions with key management personal.

The following transactions arose with related parties:

	For the nine months period ended September 30,	
Transaction	**2021**	**2020**
Management fee to CEO and controlling shareholder	427	200
Share based compensation to the CEO and controlling shareholder	22	7

PROPOSED TRANSACTIONS

As at September 30, 2021, and the date hereof, the Company had no disclosable proposed transactions. It is the Company's policy not to disclose transactions until they are fully executed.

RISKS AND UNCERTAINTIES

The Company's business is subject to numerous risks and uncertainties, including those described elsewhere in this MD&A, as well as general economic and market risks. The following discussion describes material risks and uncertainties that the Company has identified that may affect the Company's results of operations and financial condition.

Risks Related to the Business

The Company's commercial and financial success depends on the success of its current commercial products, Adcore VIEWS, SEMDOC², Feeditor and Effortless Marketing.

The Company's future success depends upon building and expanding its commercial international operations in Canada, the United States, Australia, and other international markets, as well as entering additional markets to commercialize all of its products and technologies. If the Company fails to expand the use of its technologies in a timely manner and penetrate the available markets which the products are intended to serve, the Company may not be able to expand its markets and grow revenue, the value of the Company may decline and investors may lose money.

Unanticipated delays or problems associated with the Company's products and improvements may cause customer dissatisfaction.

The Company's future success is dependent on its ability to continue to develop and expand its products and technologies and to address the needs of its customers. There may be delays in releasing new the Company products or technologies in the future – any material delays may cause customers to forego purchases of the Company's products to purchase competitors' offerings instead.

The Company may need to develop new products and services and rapid technological change could render its systems obsolete.

The industry in which the Company operates is characterized by rapid technological change, frequent new product and service introductions and enhancements, uncertain product life cycles, changes in customer requirements, and evolving industry standards. The introduction of new products and new technologies, the emergence of new industry standards, or improvements to existing technologies could render the Company's platform obsolete or relatively less competitive.

The Company's commercial and financial success depends on market acceptance, and if not achieved will result in the Company not being able to generate revenue to support its operations.

The commercial success of the Company depends, among other things, on market acceptance. The success of the Company's products and any new products and services that it may launch is dependent upon its ability to attract and retain a critical mass of merchants in potentially diverse geographic locations. The sales cycle for a new merchant can be lengthy. Merchants may not be willing to invest the time and resources necessary to achieve the necessary education and integration required to successfully deploy the Company's technology. Competitive pricing and market acceptance also depends on the future pricing and availability of competing products and the perceived comparative efficacy of its products. If the Company cannot reach this market, or cannot offer competitive pricing packages, its operating results and revenues will be adversely affected.

A substantial majority of the Company's revenue depends on search and shopping advertising.

The Company's customers have historically used its Adcore VIEWS Platform for search and shopping advertising, and a significant amount of the Company's revenue is derived from users of the platform. Moreover, with Google representing over 92% of worldwide search engine market share, a significant amount of the Company's revenue depends in fact on Google and its performance as a search engine**.** The Company expects that the online advertising channels it supports will continue to be a primary channel used by its customers. Should customers lose confidence in the value or effectiveness of these channels, the demand for the ADCORE VIEWS platform may decline. While revenues from social and video advertising have grown rapidly, if the Company fails to gain market traction for its Adcore VIEWS platform for social and video advertising would harm its growth prospects, operating results and financial condition.

A substantial majority of the Company's revenue depends on major customers.

A significant amount of the Company's revenue is derived from two major customers, which constituted 54% of the Company's revenue for the nine months ended September 30, 2021. The Company expects that the working relationship with these two customers will continue to be profitable to all parties. Should any of these two customers lose confidence in the value or effectiveness of the Company's technology or services, this working relationship could end and the Company's revenue would significantly decline.

A substantial amount of the Company's revenue depends on strategic partnerships with search engine companies.

A significant amount of the Company's revenue is derived from its strategic partnerships with leading search engines. The Company expects that these strategic partnerships will continue to be profitable to all parties. Any change to or termination of these partnerships or their commercial terms could have a material effect on the Company's revenues, which could significantly decline as a result of such change or termination.

The Company may require additional capital to support its operations or the growth of its business, and it cannot be certain that this capital will be available on reasonable terms when required, or at all.

From time to time, the Company may need additional financing to operate or grow its business. The ability to continue as a going concern may be dependent upon raising additional capital from time-to-time to fund operations. the Company's ability to obtain additional financing, if and when required, will depend on investor and lender willingness, its operating performance, the condition of the capital markets and other facts, and the Company cannot assure anyone that additional financing will be available to it on favorable terms when required, or at all. If the Company raises additional funds through the issuance of equity, equity-linked or debt securities, those securities may have rights, preferences or privileges senior to the rights of its current stock, and its existing stockholders may experience dilution. If the Company is unable to obtain adequate financing or financing on terms satisfactory to it when it requires it, its ability to continue to support the operation or growth of its business could be significantly impaired and its operating results may be harmed.

The Company's growth strategy may not achieve the anticipated results.

The Company's future success will depend on its ability to grow its business, including through commercialization of its products. Growth and innovation strategies require significant commitments of management resources and capital investments and the Company may not grow its revenues at the rate it expects or at all. As a result, the Company may not be able to recover the costs incurred in developing new projects and initiatives or to realize their intended or projected benefits, which could materially adversely affect its business, financial condition or results of operations.

The Company faces substantial competition in the future and may not be able to keep pace with the rapid technological changes which may result from others discovering, developing or commercializing products before or more successfully than the Company. The activities of competing companies, or others, may limit the Company's revenues.

In general the development and commercialization of new SaaS products is highly competitive and is characterized by extensive research and development and rapid technological change. Market share can shift as a result of technological innovation and other business factors. Commercial opportunities for the Company's products may be reduced if the Company's competitors develop or market products or novel technologies that are more effective, are better tolerated, are more accepted by the market, have better distribution channels, or are less costly than that offered by the Company. If those products gain market acceptance, the Company's revenue and financial results could be adversely affected. If the Company fails to develop new products or enhance existing products, its leadership in the current markets served could erode, and its business, financial condition and results of operations may be adversely affected.

While the Company's products are unique and novel technologies, there are a number of indirect competitors in the market. Such competitors include large and small companies that may have significant access to capital resources, competitive product pipelines, substantial research and development staffs and facilities, and substantial experience in the market. The Company recognizes the need to invest in research and development to continue to add high-value, differentiated capabilities to expand both the depth and breadth of the Company's product offering. Management also recognizes the need to ensure customer satisfaction through all phases of the sales cycle and intends to invest in competitive intelligence and analysis as it relates to the dynamics of the market, as well as in trends in technology and in products as they are introduced into the market. However, the Company may not be able to compete with competitors that are more established in the market.

The Company depends on highly skilled personnel to grow and operate its business. If the Company is not able to hire, retain, and motivate its key personnel, its business may be adversely affected.

The Company's success depends in part upon a number of key employees, including members of senior management who have extensive experience in the industry. Competition for talented senior management is intense and the Company's ability to successfully develop and maintain a competitive market position will depend in part on its ability to attract and retain highly qualified and experienced management. The loss of the services of key personnel could have a materially adverse effect on the Company's business.

Israeli preferred technological plant status and related benefits could change.

In January 1, 2017 a new section was issued to the Israeli Investments Law relating to preferred technological income. The section is applicable to industrial companies, including the Company that apply further preferred enterprise criteria. Accordingly, the Company is entitled to the benefit and therefore is subjected to a corporate tax rate of 12%. Investors should be aware that changes in the preferred enterprise criteria could result in the Company being re-classified as a non-preferred technological plant, which would result in a higher percentage of corporate tax being applied to the Company (23% for the years 2021 and 2020).

Israeli corporate tax rates are subject to regulatory change.

The Israeli corporate tax rate was 23% for the year ended December 31, 2020 and is 23% in 2021. This tax rate could be changed by government decisions and tax regulations, which could have a material effect on the Company's revenues. These changes could be relevant to the Company in the case the Company would be re-classified as a non-preferred technological plant which would result in the regular Israeli corporate tax rate being applied to the Company.

Limitation of statute on the Company's tax reports for the years ended December 31, 2020 and 2019

The general limitation of statute on tax reports in Israel is four years, and therefore the Company's tax reports for the years ended December 31, 2020 and 2019 could still be assessed by the Israeli Tax Authority, which could result in, among other things, determining that the Company is not a preferred technological plant and by such is subject to a higher percentage of corporate tax (23% for the years ended December 31, 2020 and 2019).

If the Company fails to develop widespread brand awareness cost-effectively, its business may suffer.

The Company believes that developing and maintaining widespread awareness of its brand in a cost-effective manner is critical to achieving widespread acceptance of its products. The Company's marketing efforts are directed at growing brand awareness. Brand promotion activities, although they have been successful in the past, may not generate customer awareness or increase revenues, and even if they do, any increase in revenues may not offset the expenses incurred in brand building. If the Company fails to successfully promote and maintain its brand, or incur substantial expenses in doing so, the Company may fail to attract or retain customers necessary to realize a sufficient return on its brand building efforts, or to achieve the widespread brand awareness that is critical for broad adoption of its products.

Possible failure to realize anticipated benefits of future acquisitions could impact the Company's business.

The Company may in the future complete acquisitions to strengthen its position in the point-of sale industry and to create the opportunity to realize certain benefits including, among other things, potential cost savings. Achieving the benefits of any future acquisitions depends, in part, on successfully consolidating functions and integrating operations, procedures and personnel in a timely and efficient manner, as well as the Company's ability to realize the anticipated growth opportunities and synergies from combining the acquired businesses and operations with its own. The integration of acquired businesses requires the dedication of substantial management effort, time and resources which may divert management's focus and resources from other strategic opportunities and from operational matters during this process. The integration process may result in the loss of key employees and the disruption of ongoing business, customer and employee relationships that may adversely affect the Company's ability to achieve the anticipated benefits of these and future acquisitions.

There is intense competition in the SaaS and search engine marketing and advertising industry.

The SaaS advertising technology industry is highly competitive and rapidly changing. The Company may be significantly affected by new product introductions and geographic expansion by existing competition and expects that competition will intensify in the future. Specific factors upon which the Company competes include, but are not limited to, functionality of its applications, ease of use, timing for implementation, quality of support and services, and price. The Company's potential competitors include other companies selling SaaS services and technology in the search engine marketing and advertising space. Many of these potential competitors have significantly greater financial, technical, marketing and other resources than the Company has. Many of them also have longer operating histories, greater name recognition and stronger relationships with merchants and consumers who use or might use a low-value-payment service. The Company may not be able to compete successfully with these competitors.

There is inherent technology and development risk in the Company's business and industry.

The Company approach utilizes technology principally architected and developed by the Company. There can be no assurances that the Company will meet its targeted development or integration timelines such that it will be able to offer solutions at competitive pricing, or that the Company can continue to enhance and improve the responsiveness, functionality and features of its technology and enable the solutions to scale at a reasonable cost. In addition, there is a risk that third parties may have applied for or been granted patents for certain processes or technology which the Company has already deployed or intends to deploy, in which case the Company may incur additional costs or be prohibited from using or implementing certain product features or processes in one or more countries. The Company solutions incorporate complex technology and software. Accordingly, they may contain errors, or "bugs", that could be detected at any point. Such errors could materially and adversely affect the Company's reputation, resulting in claims and/or significant costs to the Company, and/or cause consumers, merchants, licensees and other parties to abandon the Company's solutions and impair the Company's ability to market and sell solutions and services in the future. The costs incurred in correcting any errors and satisfying any such claims may be substantial and could adversely affect the Company's operating margins. While the Company plans to continually test its solutions for errors and work with customers and merchants through its maintenance support services to identify and correct bugs, errors may be found in the future.

The Company maintains data on cloud storage servers, which could be the target of a security breach.

The Company's business faces certain security risks. The Company's products and services involve storage using cloud-based hosting service and also physical storage. Although data is stored in specialized security groups and are externally encrypted, storage hardware and networking infrastructure is provided by a third party, and security breaches and cyberattacks expose it to a risk of loss of this information, litigation and potential liability. If an actual or perceived breach of security and/or cyberattack occurs, the market perception of the effectiveness of the Company's security measures could be harmed, the Company could lose users and it may incur significant legal and financial exposure, including legal claims and regulatory fines and penalties. Computer viruses, break-ins, cyberattacks or other security problems could lead to misappropriation of proprietary information and interruptions, delays, or cessation in service to clients. Any failure to adequately address these risks could have an adverse effect on the business and reputation of the Company.

There could be interruptions or delays from cloud servers that could affect the Company's products or services.

The Company's products and services involve storage using a third-party cloud-based hosting service. Any damage to, or failure of, the hosting service's systems generally could result in interruptions in the use of the Company's products or services. Such interruptions may reduce the Company's revenue, cause customers to terminate their subscriptions and adversely the Company's ability to attract new customers. The Company's business will also be harmed if its customers and potential customers believe its products or services are unreliable.

Control of the Company is concentrated.

Omri Brill, the President, Chief Executive Officer, and Chairman of the Company beneficially owns approximately 64.4% of the outstanding common shares of the Company. By virtue of his status as the Company's principal shareholder, by being a director and officer, Mr. Brill exerts controlling influence over the Company's operations and business strategy, and has sufficient voting power to control the outcome of matters requiring shareholder approval. These matters may include the composition of the board of directors, which has the authority to direct the Company's business and to appoint and remove officers; approving or rejecting a merger, consolidation or other business combination; raising future capital, and amending the Company's articles of incorporation, which govern the rights attached to the Common Shares. This concentration of ownership could delay or prevent proxy contests, mergers, tender offers, open-market purchase programs or other purchases of the Company's shares that might otherwise give shareholders the opportunity to realize a premium over the then-prevailing market price for the Common Shares. This concentration of ownership, and sales by Mr. Brill of a substantial number of Common Shares, could cause the market price of the Common Shares to decline.

It may be difficult to enforce civil liabilities under Canadian securities laws.

The majority of the directors and officers of the Company are based in Israel, and most of the Company's assets, and assets of the directors, officers, are located outside of Canada. Therefore, a judgment obtained against the Company or any of these persons, including a judgment based on the civil liability provisions of the Canadian securities laws, may not be collectible in Canada and may not be enforced by an Israeli court. It also may be difficult to effect service of process on these persons in Canada or to assert Canadian securities law claims in original actions instituted in Israel. Israeli courts may refuse to hear a claim based on an alleged violation of Canadian securities laws reasoning that Israel is not the most appropriate forum in which to bring such a claim. In addition, even if an Israeli court agrees to hear a claim, it may determine that Israeli law and not Canadian law is applicable to the claim. If the Canadian law is found to be applicable, the content of applicable Canadian law must be proven as a fact by expert witnesses, which can be a time consuming and costly process. Certain matters of procedure will also be governed by Israeli law. There is little binding case law in Israel that addresses the matters described above. As a result of the difficulty associated with enforcing a judgment against the Company in Israel, it may be difficult to collect any damages awarded by either a Canadian or a foreign court.

Risks Related to Worldwide Economic Conditions

Currency exchange rates fluctuations could adversely affect the Company's operating results.

The Company is exposed to the effects of fluctuations in currency exchange rates. Since the Company conducts some of its business in currencies other than US dollars but reports its operating results in US dollars, it faces exposure to fluctuations in currency exchange rates. Consequently, exchange rate fluctuations between the US dollar and other currencies could have a material impact on the Company's operating results.

Downturns in general economic and market conditions may reduce demand for the Company's products and could negatively affect the Company's revenue, operating results and cash flow.

Recent events in the financial markets have demonstrated that businesses and industries throughout the world are very tightly connected to each other. Thus, financial developments seemingly unrelated to the Company or to the Company's industry could materially adversely affect the Company over the course of time. Volatility in the market could hurt the Company's ability to raise capital. Potential price inflation caused by an excess of liquidity in countries where the Company conducts business may increase the costs incurred to sell the Company's products and may reduce the Company's profit margins. As a result of downturns in general economic and market conditions, potential customers may not be interested in purchasing the Company's products. Any of these events, or other events caused by turmoil in world financial markets may have a material adverse effect on the Company's business, operating results and financial conditions.

The Company has its core operations in an emerging market, which carries potential risks to its business.

Emerging market investment generally poses a greater degree of risk than investment in more mature market economies because the economies in the developing world are more susceptible to destabilization resulting from domestic and international developments.

The Company's core business operations are located in Israel, which has a history of military instability. While there is no current instability, this is subject to change in the future and could adversely affect the Company's business, financial condition and results of operations.

In particular, fluctuations in the Israeli economy and actions adopted by the government of Israel may have a significant impact on companies operating in Israel, including the Company. Specifically, the Company may be affected by inflation, foreign currency fluctuations, regulatory policies, business, and tax regulations and in general, by the political, social and economic scenarios in Israel and in other countries that may affect Israel.

Catastrophic events and economic, political and market conditions may impact the Company's business.

In order to deliver advertising campaigns for its customers, the Company maintains servers at co-location facilities in Canada and Israel. Any of its existing and future facilities may be harmed or rendered inoperable by attack or security intrusion by a computer hacker, natural or man-made disasters, including earthquakes, tornadoes, hurricanes, wildfires, floods, nuclear disasters, war, acts of terrorism or other criminal activities, infectious disease outbreaks and power outages, any of which may render it difficult or impossible for the Company to operate its business for some period of time. If the Company were to lose the data stored in its co-location facilities, it could take days or weeks to recover data from multiple sources, and such delay could result in significant negative impact on its business operations, and potential damage to its advertiser and advertising agency relationships. Any disruptions in the Company's operations could negatively impact its business and results of operations, and harm its reputation. In addition, the Company may not carry sufficient business interruption insurance to compensate for the losses that may occur. Any such losses or damages could have a material adverse effect on the Company's business, financial condition and results of operations.

Infectious disease outbreaks (including COVID-19, Middle East Respiratory Syndrome, Severe Acute Respiratory Syndrome, H1N1 influenza virus, BSE, avian influenza, or other material outbreaks of disease) could result in restrictions adversely effecting the Company's business operations. Such outbreaks may negatively impact the general economic conditions worldwide. As a result of infectious disease outbreaks, the Company could suffer harm to its business, including, but not limited to, significant revenue decreases, should there be a sustained negative impact on economic conditions.

The COVID-19 pandemic could affect the Company's and its customers' capabilities to operate their businesses

The 2019 Novel Coronavirus ('coronavirus' or 'COVID-19') pandemic poses a major public health threat. It has hindered the movement of people and goods worldwide, and many governments are instituting restrictions on both individuals and businesses. The resulting impact on financial reporting will be significant. Significant development and spread of the coronavirus did not take place until January 2020, with the World Health Organization ("**WHO**") announcing the coronavirus as a global health emergency on January 30, 2020, which prompted national governments around the world to begin putting actions in place to slow the spread of COVID-19. Furthermore, significant measures taken by the Chinese government and by private sector organizations did not take place until early 2020. On March 11, 2020, the WHO declared COVID-19 a global pandemic and suggested worldwide containment and mitigation measures. In response to the pandemic, the Company has adjusted its business practices with a focus on the health and well-being of our employees and their families, customers, partners, service providers, and communities. Certain of the Company's offices have been subject to government-mandated lockdowns for some periods of time. However, the Company's teams have been able to perform their functions remotely without meaningful reductions in the Company's ability to service its customers.

The Company ended the third quarter of 2021 with a strong liquidity profile with $12,173 in cash and cash equivalents on our balance sheet, which will provide a certain extent of operational flexibility in response to the changing macroeconomic environment triggered by the COVID-19 pandemic.

Government regulation could adversely affect the Company's business.

Government regulation may increase the costs of doing business online. Certain legislation has been enacted or is under consideration relating to online advertising and the Company's management team expects further legislation and regulation related to advertising online, the use of geo-location data to inform advertising, the collection and use of anonymous internet user data and unique device identifiers, such as IP address or mobile unique device identifiers, and other data protection and privacy regulation. Such legislation could affect the costs of doing business online, and may adversely affect the demand for the Company's offerings or otherwise harm its business, results of operations and financial condition. For example, new laws and regulations in key markets of the Company's business could impact the Company's ability to collect, use, retain, protect, disclose, transfer and otherwise process personal information. The *EU General Data Protection Regulation (GDPR),* The *Personal Information Protection and Electronic Documents Act* and substantially similar provincial privacy laws in Canada provide that IP addresses are personal information. While the Company takes certain measures to protect the security of information that it collects, uses and discloses in the operation of its business, a data breach would create exposure to potential for claims for damages by consumers whose personal information has been disclosed without authorization. Evolving and changing definitions of personal information in the jurisdictions in which the Company offer its products and technologies, especially relating to classification of machine or device identifiers, location data and other information, have in the past, and may in the future, cause the Company to change business practices, or limit or inhibit the Company's ability to operate or expand its business. Data protection and privacy-related laws and regulations are evolving and may result in ever-increasing regulatory and public scrutiny and escalating levels of enforcement and sanctions. While the Company takes measures to protect the security of information that it collects, uses and discloses in the operation of its business, and to offer certain privacy protections with respect to such information, such measures may not always be effective.

In addition, while the Company actively attempts to avoid collecting identifiable data about consumers, it may inadvertently receive this information from advertisers or advertising agencies or through the process of delivering advertising and may inadvertently release this information in contravention of applicable privacy legislation. The Company's failure to comply with applicable laws and regulations, or to protect personal information, could result in enforcement action against the Company, including fines, imprisonment of its officers and public censure, claims for damages by consumers and other affected individuals, damage to the Company's reputation and loss of goodwill, any of which could have a material adverse impact on operations, financial performance and business. Even without a specific data breach, the perception of privacy concerns, whether or not valid, may harm the Company's reputation and inhibit adoption of its offerings by current and future advertisers and advertising agencies.

Conditions in Israel may affect the Company's business, results of operations and financial condition.

The Company's core business operations are in Tel Aviv, Israel. Since the establishment of the State of Israel in 1948, a number of armed conflicts have taken place between Israel and its neighboring countries. As a result, the Company is vulnerable to the political, economic, legal, regulatory and military conditions affecting Israel and the Middle East. Armed conflicts between Israel and its neighbouring countries and territories occur periodically and a protracted state of hostility has, in the past, resulted in security and economic difficulties for Israel. Any such hostilities or escalation thereof, armed conflicts or violence in the region could adversely affect the Company's business, results of operations and financial condition. To date, such conflicts have not had a material effect on business, results of operations or financial condition. In addition, the Company may be adversely affected by other events or factors affecting Israel such as the interruption or curtailment of trade between Israel and its trading partners, a significant downturn in the economic or financial condition of Israel, a significant downgrading of Israel's internal credit rating, labour disputes and political instability, including riots and uprisings or the impact of the COVID-19 pandemic on the Israeli economy.

Furthermore, there are a number of countries, primarily in the Middle East, as well as some Muslim countries, including Malaysia and Indonesia that restrict business with Israel or Israeli companies. There may also be certain countries, businesses or other global movements that may exert pressure on the Company's partners, customers or others not to do business with Israel or Israeli companies. Restrictive laws policies or movements directed towards Israel or Israeli businesses could have a material adverse effect on the Company's business, results of operations and financial condition.

Generally, under Israeli law, citizens and permanent residents of Israel are obligated to perform military reserve duty for extended periods of time through the age of 45 (or older for citizens with certain occupations) and are subject to being called to active duty at any time under emergency circumstances. In response to increased hostilities, there have been periods of significant call-ups of military reservists. It is possible that there will be additional call-ups in the future, which may include officers and key personnel of the Company, which could disrupt business operations for a significant period of time.

The Company must hold various approvals authorizing its activities in Israel. In order for the Company to carry on business operations in Israel, it must: (i) be registered with the Registrar of Companies; (ii) be registered with the Israel Tax Authorities; and (iii) hold a business license which is issued by the local municipality in which the business operates. Furthermore, in order to carry on operations in accordance with the International Organization for Standardization ("**ISO**") standards, the Company is also required to hold ISO certificates. Although the Company believes that all such required registrations, certificates and licenses are in good standing as of the date of this MD&A, if renewals or new permits, business licenses, or approvals are required in connection with the Company's activities and are not granted or are delayed, or if existing permits, business licenses or approvals are revoked or substantially modified, the Company may suffer a material adverse effect. If new standards are applied to renewals or new applications, it could prove costly to the Company to meet any new level of compliance.

Risks Related to Intellectual Property

The Company's intellectual property rights are valuable, and any inability to protect them could adversely affect its business.

The Company's success depends substantially upon the intellectual property that forms the basis of its products, primarily consisting of unpatented proprietary technology, processes, trade secrets, and know-how, as well as inherent copyright of authorship in the source code developed by the Company, and unregistered trademarks. To protect its intellectual property rights, the Company relies upon trade secret, copyright, trademark, passing-off laws, and other statutory and common law protections in Israel, the United States, and international markets. The Company also protects its intellectual property through the use of non-disclosure agreements and other contracts, disclosure and invention assignment agreements, confidentiality procedures, and technical measures. There can be no assurance that these measures will be successful in any given case, particularly in those countries where the laws do not afford the Company protection for its intellectual property rights as robust as those available under Israeli, Canadian, and United States laws. The Company may be unable to prevent the misappropriation, infringement or violation of its intellectual property rights, breaching any contractual obligations, or independently developing intellectual property that is similar to its own, any of which could reduce or eliminate the Company's competitive advantages, adversely affect the Company's revenues, or otherwise harm its business.

Assertions by third parties of infringement or other violations of the Company's intellectual property rights could result in significant costs and substantially harm the Company's business and operating results.

Third parties may in the future assert claims of infringement, misappropriation or other violations of intellectual property rights against the Company. Any such claim against the Company, even those without merit could cause the Company to incur substantial costs defending against the claim and could distract its management. An adverse outcome of a dispute may require the Company to pay substantial damages, cease making, licensing or using solutions that are alleged to infringe or misappropriate the intellectual property of others, expend additional development resources to attempt to redesign its services or otherwise develop non-infringing technology, which may not be successful, or enter into potentially unfavourable royalty or license agreements in order to obtain the right to use technologies or intellectual property rights.

Intellectual property claims are expensive and time consuming to defend and if resolved adversely, could have a significant impact on the Company's business, financial condition, and operating results.

The Company is actively engaged in enforcement and other activities to protect its intellectual property rights. If it became necessary to resort to litigation to protect these rights, any proceedings could be burdensome, costly and divert the attention of management, and the Company may not prevail. Any repeal or weakening of intellectual property laws or diminishment of procedures available for the enforcement of intellectual property rights in Israel, Canada, the United States, or internationally could make it more difficult for the Company to adequately protect its intellectual property rights, negatively impacting their value and increasing the cost of enforcing its rights.

If the Company is unable to protect the confidentiality of its proprietary information and know-how, the value of its technology and products could be adversely affected.

The Company relies upon unpatented proprietary technology, processes, trade secrets and know-how. Any disclosure to or misappropriation by third-parties of its confidential or proprietary information could enable the Company's competitors to duplicate or surpass the Company's technological achievements, potentially eroding its competitive position in the market, and negatively impacting the Company's business and operating results.

The Company protects its confidential and proprietary information in part through non-disclosure agreements and other contracts, disclosure and invention assignment agreements, with all employees, consultants, advisors and any third-parties, who have access to its confidential and proprietary information, and employs confidentiality procedures and technical measures, there can be no certainty that these measures or procedures will be sufficient to prevent improper disclosure of such confidential and proprietary information, or to prevent it from falling into the hands of the Company's competitors and other third parties. There can be no certainty that parties to contracts used by the Company to protect its confidential and proprietary information will not be terminated or breached, and the Company may not have adequate remedies for any such termination or breach. Legal remedies may be insufficient or ineffective to meaningfully protect the Company's confidential and proprietary information or compensate the Company for losses that may occur in the event of unauthorized use or disclosure.

Adverse litigation judgments or settlements resulting from legal proceedings in the normal course of business could reduce the Company's profits or limit its ability to operate.

The Company is subject to allegations, claims and legal actions arising in the ordinary course of its business, which may include claims by third parties, including employees or regulators. The outcome of many of these proceedings cannot be predicted. If any of these proceedings were to be determined adversely to us, a judgment, a fine or a settlement involving a payment of a material sum of money were to occur, or injunctive relief were issued against the Company, its business, financial condition and results of operations could be materially adversely affected.

CRITICAL ACCOUNTING POLICIES AND ESTIMATES

The areas requiring the use of estimates and critical judgments that may potentially have a significant impact on the Company's earnings and financial position are the recognition and amortization of development costs and the useful life of property and equipment and income tax.

Revenue from Contracts with Customers IFRS-Principal versus Agent Considerations

Revenue is recognized based on the five-step model outlined in IFRS 15, Revenue from Contracts with Customers. For revenue from direct advertiser customers, management's judgement is applied regarding the determination of whether the Company is a principal or agent to the transactions. In making, this judgement, management places significant weight on the fact: (1) the Company bears credit risks related to the media buying, as it is contractually required to pay media channels within a negotiated period of time, regardless of whether the Company's clients pay the Company on time, or at all. Moreover, in some cases the Company's clients have or may develop higher-risk credit profiles, which may subject the Company to even greater credit risk especially when the Company's payment cycles to the media channels is relatively short; (2) The Company has full discretion in establishing the price to its customers and sole control of the Costs of the media buying prices, including the campaigns, accounts and media channels' budget allocation; (3) The Company has the power to use its own advertising technologies and expertise in order to manipulate the media buying process, which is critical to the fulfillment of the customer deliverables; and (4) The Company holds full responsibility towards its clients with regards to the campaigns management and fulfillment.

The Company considered to the extent of Reporting Revenue "Gross versus Net" that it applies to the Company's revenue arrangements and concluded that the Company acts as the principal in these arrangements and therefore reports revenue earned and costs incurred related to these transactions on a gross basis.

Taxes on income
The Company recognized tax- related assets and liabilities based on the Company's current understanding of tax laws as applied to the Company's circumstances. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the current and deferred tax provisions in the period in which such determination is made.

Amortization of capitalized development costs and the useful life of property and equipment
Intangible assets and property and equipment are amortized or depreciated over their useful lives. Useful lives are based on management's estimates of the period that the assets will generate revenue, which are periodically reviewed for continued appropriateness. Changes to estimates can result in significant variations in the amounts charged to the statement of comprehensive income in specific periods.

Derivative liability - Warrants
The Company uses the Black-Scholes option-pricing model to estimate fair value at each reporting date. The key assumptions used in the model are the expected future volatility in the price of the Company's shares and the expected life of the warrants.

CHANGES IN ACCOUNTING POLICIES

For the nine months ended September 30, 2021, the Company has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

IAS 1 - Presentation of Financial Statements

In January 2020, the IASB issued amendments to IAS 1, which clarify the criteria used to determine whether liabilities are classified as current or non-current. These amendments clarify that current or non-current classification is based on whether an entity has a right at the end of the reporting period to defer settlement of the liability for at least twelve months after the reporting period. The amendments also clarify that 'settlement' includes the transfer of cash, goods, services, or equity instruments unless the obligation to transfer equity instruments arises from a conversion feature classified as an equity instrument separately from the liability component of a compound financial instrument. The amendments are effective for annual reporting periods beginning on or after January 1, 2022. However, in May 2020, the effective date was deferred to annual reporting periods beginning on or after January 1, 2023.

DISCLOSURE CONTROLS AND INTERNAL CONTROLS OVER FINANCIAL REPORTING

Management of the Company is responsible for establishing and maintaining disclosure controls and procedures for the Company as defined under National Instrument 52-109 - Certification of Disclosure in Issuers' Annual and Interim Filings ("**NI 52-109**") issued by the Canadian Securities Administrators. Management has designed such disclosure controls and procedures, or caused them to be designed under its supervision, to provide reasonable assurance that material information relating to the Company, including its consolidated subsidiaries, is made known to the CEO and the CFO by others within those entities on a timely basis, particularly during the period in which the annual filings are being prepared, so that appropriate decisions can be made regarding public disclosure. As required by NI 52-109, an evaluation of the adequacy of the design (quarterly) and effective operation (annually) of the Company's disclosure controls and procedures was conducted under the supervision of management, including the CEO and CFO, as at March 4, 2021. Based on that evaluation, the CEO and the CFO have concluded that the design and operation of the system of disclosure controls and procedures were effective as at March 4, 2021. There have been no changes to the Company's internal controls over financial reporting during the nine months ended September 30, 2021 that have materially affected, or are reasonably likely to materially affect, the Company's internal control over financial reporting.

OUTSTANDING SHARE DATA

As of November 9, 2021, 63,481,445 Common Shares were issued and outstanding. In addition, as of November 9, 2021, there were 8,261,081 stock options outstanding with exercise prices ranging from CAD$0.12 to CAD$2.75 per share and 353,442 RSUs outstanding with exercise price of CAD$0 per share.

As of November 9, 2021, there were 1,767,000 common share purchase warrants outstanding, each of which represents the right to acquire one Common Share, with exercise prices ranging from CAD$1.33 to CAD$1.80 per share.

FINANCIAL INSTRUMENTS AND OTHER INSTRUMENTS

The Company's financial instruments consist solely of cash and cash equivalents, trade and other receivables, accounts payable, accrued liabilities. As of September 30, 2021, there were no significant differences between the carrying value of these items and their estimated fair values because of the short-term nature of these instruments.

ADDITIONAL INFORMATION

Additional information relating to the Company, including its annual information form for the financial year ended December 31, 2020, is posted on SEDAR at www.sedar.com.