

POPREACH™

POPREACH CORPORATION

(formerly Federated Foundry Limited)

Management's Discussion and Analysis
For the three and twelve months ended September 30, 2022
(expressed in thousands of United States Dollars, except share and per share
amounts – unaudited)

POPREACH CORPORATION (formerly Federated Foundry Limited)
Management's Discussion and Analysis
(expressed in thousands of United States Dollars, except share and per share amounts)
For the three and twelve months ended September 30, 2022

MANAGEMENT'S DISCUSSION AND ANALYSIS

This Management's Discussion and Analysis (this "MD&A") provides a review of the results of operations, financial condition and cash flows for PopReach Corporation (the "Company"), for the three months and twelve months ended September 30, 2022.

This document should be read in conjunction with the information contained in the Company's condensed interim unaudited consolidated financial statements and related notes for the three and twelve months ended September 30, 2022 (the "Interim Financial Statements"), and the audited consolidated financial statements and related notes for the year ended September 31, 2021 (the "Annual Financial Statements"), which have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB"). Due to the various business combination transactions, historical results discussed in this MD&A, are based on partial periods depending on when the transactions occurred. As a result, results of operations may not be consistent period to period nor may be expected to be representative of future periods. Unless otherwise indicated, all dollar ("\$\$") and "USD" amounts and references in this MD&A are in thousands of United States dollars, except share and per share amounts.

Unless otherwise stated, in preparing this MD&A the Company has taken into account information available to it up to the date of this MD&A, November 28, 2022, being the date the Company's board of directors (the "Board" or "Board of Directors") approved this MD&A and the Interim Financial Statements. All quarterly information contained herein is unaudited.

CAUTIONARY NOTE REGARDING FORWARD LOOKING INFORMATION

This MD&A contains "forward-looking information" within the meaning of applicable Canadian securities legislation. Forward-looking information includes, but is not limited to, statements with respect to our objectives and the strategies to achieve these objectives, as well as information with respect to our beliefs, plans, expectations, anticipations, estimates and intentions. Generally, forward-looking information can be identified by the use of forward-looking terminology such as "plans", "expects" or "does not expect", "is expected", "budget", "scheduled", "estimates", "forecasts", "intends", "anticipates" or "does not anticipate", or "believes", or variations of such words and phrases or statements that infer actions, events or results with terminology such as "may", "could", "would", "might", "will be taken", "occur" or "be achieved".

Forward-looking information is provided for the purposes of assisting the reader in understanding the Company and its business, operations, prospects and risks at a point in time in the context of historical and possible future developments and, therefore, the reader is cautioned that such information may not be appropriate for other purposes.

Forward-looking information is based upon numerous assumptions and is subject to a number of known and unknown risks and uncertainties, many of which are beyond our control, which could cause actual results to differ materially from those that are disclosed in or implied by such forward-looking information. These risks and uncertainties include, but are not limited to, the risk factors that are discussed in greater detail under "Risk Factors and Uncertainties".

Although the forward-looking information contained herein is based upon what we believe are reasonable assumptions, readers are cautioned against placing undue reliance on this information since actual results may vary from the forward-looking information. Certain assumptions were made in preparing the forward-looking information concerning availability of capital resources, business performance, market conditions, and customer demand. Consequently, all of the forward-looking information contained herein is qualified by the foregoing cautionary statements, and there can be no guarantee that the results or developments that we anticipate will be realized or, even if substantially realized, that they will have the expected consequences or effects on our business, financial condition or results of operation. Unless otherwise noted or the context otherwise indicates, the forward-looking information contained herein is provided as of the date hereof, and we do not undertake to update or amend such forward-looking information whether as a result of new information, future events or otherwise, except as may be required by applicable law.

COMPANY OVERVIEW

PopReach Corporation (the "Company", or "PopReach"), was incorporated September 25, 2018 pursuant to the provisions of the Business Corporations Act (Ontario). On April 28, 2022, the Company completed a reverse takeover transaction (the "Transaction") with Federated Foundry Limited ("Federated", formerly 2810735 Ontario Inc.), to form a leading publicly-listed technology and media enterprise.

The Company is a multi-platform technology company focused on acquiring, optimizing and growing companies and assets that provide services, technology or products within the digital media ecosystem. The Company's portfolio includes: PopReach Incorporated ("PopReach Games"), a free-to-play mobile game publisher with over 25 games enjoyed by millions of players; Q1Media, Inc.

POPREACH CORPORATION (formerly Federated Foundry Limited)
Management's Discussion and Analysis
(expressed in thousands of United States Dollars, except share and per share amounts)
For the three and twelve months ended September 30, 2022

("Q1Media"), a digital media advertising services provider; NotifyAI, LLC ("Notify"), a push notification subscription and monetization platform; and Crucial Interactive Holdings Inc. ("CIHI") (doing business as "Contobox"), an award-winning personalization, eCommerce and creative advertising technology platform, and Ubiquity Agency LLC ("Ubiquity"), a user acquisition and marketing technology business.

The Company's registered and head office is located at 1 University Avenue, 3rd Floor, Toronto, Ontario, M5J 2P1.

NOTICE REGARDING ACCOUNTING TREATMENT OF THE FEDERATED ACQUISITION TRANSACTION

Under IFRS 3, Federated is deemed to be the acquirer of the Company in the Transaction, and as such the consolidated interim financial statements are a continuation of the financial statements of Federated. Federated has elected to continue its consolidated operations using the name "PopReach Corporation" moving forward. The Interim Financial Statements include consolidation of Federated for the entire three and twelve month periods ending September 30, 2022, and include PopReach from April 28, 2022 (the date of the Transaction) through the end of the period ending September 30, 2022.

Change in Fiscal Year-End

As a result of the Transaction of April 28, 2022, and pursuant to the Business Combination Agreement dated October 18, 2021 between PopReach and Federated, first amended on February 14, 2022 and subsequently amended immediately prior to closing of the Transaction, the fiscal year-end was changed from September 30 to December 31. As a result of the change, the Company will have a fifteen month fiscal year which will be reported in the Company's annual report for the fiscal-year ending December 31, 2022. The Company made the change to provide improved comparable information with its industry peers.

SUMMARY OF FINANCIAL PERFORMANCE AND SIGNIFICANT DEVELOPMENTS

Financial highlights for the three months ended September 30, 2022:

- Revenue of \$25.5 million, compared to \$20.7 million for the three months ended June 30, 2022
- Gross profit of \$11.3 million, compared to \$10.5 million for the three months ended June 30, 2022
- Operating expenses of \$12.2 million, compared to \$10.5 million for the three months ended June 30, 2022
- Net loss of \$1.9 million (\$(0.01) per basic and diluted share), compared to a net loss of \$1.4 million (\$(0.01) per basic and diluted share) for the three months ended June 30, 2022
- Adjusted EBITDA¹ of \$3.0 million (11.7% of revenue), compared to \$2.8 million (13.6% of revenue) for the three months ended June 30, 2022
- Adjusted Free Cash Flow¹ of \$2.5 million (9.6% of revenue), compared to \$2.1 million (10.1% of revenue) for the three months ended June 30, 2022
- Cash as at September 30, 2022 was \$8.9 million, compared to \$10.4 million as at June 30, 2022
- Total debt as at September 30, 2022 was \$53.7 million, including \$40.0 million of senior lender debt and \$13.1 million of convertible debentures, compared to \$25.0 million as at June 30, 2022

Significant developments for the three months ended September 30, 2022²:

- On September 8, 2022, the Company acquired 100% of the shares of Ubiquity Agency LLC ("Ubiquity"), an omnichannel marketing network and technology platform, for an aggregate purchase price of approximately \$44.3 million.
- On September 8, 2022, the Company amended its senior credit facility with the Bank of Montreal to fully exercise the accordion option to increase the non-revolving term facility by \$15 million to \$40 million in order to fund the acquisition of Ubiquity. After the amendment, the facility is comprised of a \$40 million non-revolving term facility and an unamended \$8 million revolving facility. All other material terms of the facility remain unchanged.

¹ Please refer to "Non-GAAP Measures" below

² Please refer to "General Development of the Business" below

POPREACH CORPORATION (formerly Federated Foundry Limited)
Management's Discussion and Analysis
(expressed in thousands of United States Dollars, except share and per share amounts)
For the three and twelve months ended September 30, 2022

Non-GAAP Measures

The Company prepares its Interim Financial Statements and Annual Financial Statements in accordance with IFRS. However, the Company considers certain non-GAAP financial measures as useful additional information to assess its financial performance. These measures, which it believes are widely used by investors, securities analysts and other interested parties to evaluate its performance, do not have a standardized meaning prescribed by GAAP and therefore may not be comparable to similarly titled measures presented by other publicly traded companies, nor should they be construed as an alternative to financial measures determined in accordance with IFRS. Non-GAAP measures include "Adjusted EBITDA" and "Adjusted Free Cash Flow".

Consolidated adjusted earnings before interest, taxes, depreciation and amortization ("Adjusted EBITDA") is a non-IFRS measure of financial performance. The presentation of this non-IFRS financial measure is not intended to be considered in isolation from, as a substitute for, or superior to, the financial information prepared and presented in accordance with IFRS and may be different from non-IFRS financial measures used by other companies. Company management defines Adjusted EBITDA as IFRS Net income (loss) adding back finance costs, income taxes, depreciation amortization, gain/loss on disposal of assets and extinguishment of loans, fair value gain/loss on financial liabilities and contingent consideration, and excludes discontinued operations and the effects of significant items of income and expenditure which may have an impact on the quality of earnings, such as impairments where the impairment is the result of an isolated, non-recurring event. It also excludes the effects of equity-settled share-based payments, foreign exchange gains/losses, changes in deferred revenues, changes in deferred cost of sales, and other extraordinary one-time expenses. See reconciliation of Adjusted EBITDA under "Adjusted EBITDA" below.

"Adjusted Free Cash Flow" means Adjusted EBITDA less capital expenditures, such as acquisition of property and equipment and additions to intangibles, and income taxes paid during the period.

Management believes Adjusted EBITDA is a useful financial metric to assess its operating performance on a cash basis before the impact of non-cash and extraordinary one-time items.

Adjusted EBITDA and Adjusted Free Cash Flow

Adjusted EBITDA was \$2,970 and \$9,587 for the three and twelve months ended September 30, 2022, compared to \$1,226 and \$1,042 for the three and twelve months ended September 30, 2021. Adjusted Free Cash Flow was \$2,456 and \$8,316 for the three months and twelve months ended September 30, 2022, compared to \$1,220 and \$1,117 for the three and twelve months ended September 30, 2021.

	For the three months ended			
	September 30, 2022	June 30, 2022	March 31, 2022	December 31, 2021
Net loss	\$ (1,886)	\$ (1,443)	\$ (820)	\$ (1,736)
Add:				
Finance costs	688	673	688	864
Income tax expense (recovery)	282	(356)	(672)	275
Depreciation and amortization	3,070	2,396	1,718	1,623
Fair value adjustment - contingent consideration	—	—	—	33
Fair value loss (gain) on financial liabilities	(33)	(5)	—	—
Gain on disposal of property and equipment	—	—	—	(1)
Loss on extinguishment of loan	—	1,217	—	—
Share-based compensation expense	353	131	—	—
Change in deferred revenue of in-app purchases	268	(62)	—	—
Change in deferred cost of sales	(56)	(100)	—	—
Extraordinary one-time expenses	245	469	518	1,688
Foreign exchange loss (gain)	39	(110)	(37)	44
Non-recurring income	—	—	(378)	—
Adjusted EBITDA	\$ 2,970	\$ 2,810	\$ 1,017	\$ 2,790
Less:				
Acquisition of property and equipment	(21)	(13)	(15)	(6)
Additions to intangible assets	(466)	(202)	—	—
Taxes paid	(27)	(510)	—	(11)
Adjusted Free Cash Flow	\$ 2,456	\$ 2,085	\$ 1,002	\$ 2,773

POPREACH CORPORATION (formerly Federated Foundry Limited)
Management's Discussion and Analysis
(expressed in thousands of United States Dollars, except share and per share amounts)
For the three and twelve months ended September 30, 2022

	For the three months ended September 30, 2021	From January 25 to June 30, 2021
Net loss	\$ (46)	\$ (74)
Add:		
Finance costs	506	21
Income tax expense (recovery)	(53)	—
Depreciation and amortization	1,035	—
Fair value loss (gain) on financial liabilities	(313)	(28)
Foreign exchange gain	108	(22)
Non-recurring income	(11)	—
Adjusted EBITDA	\$ 1,226	\$ (103)
Less:		
Acquisition of property and equipment	(6)	—
Additions to intangible assets	—	—
Taxes paid	—	—
Adjusted Free Cash Flow	\$ 1,220	\$ (103)

GENERAL DEVELOPMENT OF THE BUSINESS

The Company's revenue generating digital media companies are:

PopReach Games, incorporated under the laws of the Province of Ontario, and its accounts are consolidated into the Company's Interim Financial Statements and Annual Financial Statements. PopReach Games is a free-to-play game publisher focused on acquiring and optimizing proven franchises. As at September 30, 2022, PopReach Games employs 62 employees on a full-time basis between offices in Toronto, Ontario and Vancouver, British Columbia. In addition, PopReach Games operates two wholly owned subsidiaries, PopReach Technologies Private Limited ("PR Tech"), in Bangalore, India, and PopReach UK Limited ("PopReach UK"), in London, UK. PR Tech employs 87 employees on a full-time basis, and its accounts are consolidated into the Company's Interim Financial Statements and Annual Financial Statements. PopReach UK employs 5 employees on a full-time basis, and its accounts are also consolidated into the Company's Interim Financial Statements and Annual Financial Statements.

Q1Media, incorporated under the laws of the Delaware, and its accounts are consolidated into the Company's Interim Financial Statements and Annual Financial Statements. As at September 30, 2022, Q1Media employs 50 employees on a full-time basis with an office in Texas, Austin. Q1Media is a digital media services company that focuses on the small and medium business ("SMB") category. Q1Media's revenues are derived from the sale of marketing solutions (online banner advertising and video advertising) and platform solutions (application plug-ins, yield optimization technology and services, and data reporting and analysis tools). Q1Media provides custom digital advertising campaign solutions across all major advertising platforms.

Notify, formed under the laws of the Wyoming, is a wholly owned subsidiary of Notify AcqCo, and its accounts are consolidated into the Company's Interim Financial Statements and Annual Financial Statements. As at September 30, 2022, Notify employs 10 employees on a full-time basis at office in Denver, Colorado, and 17 contractors in Israel. Notify has developed a proprietary push messaging platform that serves i) publishers and websites, ii) advertisers, and iii) other push notification providers. Notify generates revenue from consumer activity that occurs in response to the delivery of targeted advertisements to opted-in subscribers via Notify's proprietary platform. Notify offers its service to advertising channel partners as well as direct advertisers seeking to display their advertisements to relevant audiences in a way that causes consumers to visit the advertisers' websites and take some further action.

CIHI, incorporated under the laws of the Ontario, and its accounts, along with those of its wholly owned subsidiaries of Crucial Interactive Inc. (Ontario), Okra Media Inc. (Quebec), Media Xeo Inc. (Quebec), and Contobox US Inc. (Delaware), are consolidated into the Company's Interim Financial Statements and Annual Financial Statements. As at September 30, 2022, CIHI and its wholly owned subsidiaries, employs 33 employees on a full-time basis between offices in Toronto, Montreal and New York. Brands use the CIHI platform to reach shoppers with convenient, personalized recommendations and messaging that drives sales, across any format or device. CIHI delivers performance with engagement based shopper intelligence, predictive product recommendation, and data driven enhanced creative.

Ubiquity, a limited liability company formed under the laws of Delaware, and its accounts, along with those of its directly and indirectly wholly owned subsidiaries (collectively, the "Ubiquity Subsidiaries"), which are disclosed in Note 2 of the Interim Financial Statements, are consolidated into the Company's Interim Financial Statements and Annual Financial Statements. As at September 30, 2022, Ubiquity

POPREACH CORPORATION (formerly Federated Foundry Limited)
Management's Discussion and Analysis
(expressed in thousands of United States Dollars, except share and per share amounts)
For the three and twelve months ended September 30, 2022

and the Ubiquity Subsidiaries, employs 27 employees on a full-time basis between offices in Florida and Amsterdam. Ubiquity and its subsidiaries operate multiple businesses, including a digital agency and performance marketing network that develops performance driven campaigns, working with thousands of publishers worldwide as well as through Ubiquity's internal distribution network, a direct to consumer omnichannel marketing company, a full stack development and SaaS platform to support delivery, online engagement and analytics for SMS and email campaigns, and a data driven performance marketing company focused on user acquisition for membership sites.

Federated Acquisition

Pursuant to the Transaction, the Company acquired Federated for an indicative aggregate purchase price of C\$160,000, subject to adjustments for assumed debt, working capital and other customary terms and conditions set out in the definitive transaction agreement entered into by the parties for the Transaction. The net purchase price at closing for the Transaction was C\$127,240, inclusive of the assumption by the Company of an aggregate US\$22,963 of debt. As a result, shareholders of Federated received approximately 0.7541 common shares in the capital of the Company (the "**Common Shares**") for each common share in Federated (the "**Federated Shares**") held by them, for a total issuance from treasury by the Company of 159,053,948 Common Shares (the "**Consideration Shares**"). Following completion of the Transaction, the Company has 232,520,102 Common Shares issued and outstanding, with the Consideration Shares issued to Federated's shareholders comprising of approximately 68.40% of the issued capital (basic).

Federated, founded in January 2021 and incorporated under the laws of the Province of Ontario, is a wholly owned subsidiary of the Company, and its accounts are consolidated into the Company's Interim Financial Statements and Annual Financial Statements. Three companies were acquired by Federated, Q1Media on July 9, 2021, Notify on August 6, 2021, and CIHI on October 1, 2021; the result is a digital advertising technology company serving over 30 billion monthly ad impressions for more than 500 advertisers across more than 1,900 publisher properties and reaching over 650 million monthly unique users.

CIHI Acquisition

Federated completed the acquisition of CIHI on October 1, 2021 (the "**CIHI Acquisition**"), whereby Federated acquired all of the issued and outstanding securities of CIHI from the holders thereof (the "**CIHI Vendors**") for total consideration of \$7,418.

The consideration for the acquisition consisted of the issuance of a convertible debenture with a fair value of \$3,669 (C\$4,675) (the "**CIHI Debenture**") to the CIHI Vendors and the assumption of certain indebtedness (the "**CIHI Shareholder Debt**") owed by CIHI to certain of its shareholders (the "**Shareholder Lenders**") as evidenced by a promissory note issued by CIHI to the Shareholder Lenders on closing of the CIHI Acquisition in the principal amount of \$3,150 (C\$4,325) (note 15), bearing interest at the rate of 5% per annum (the "**CIHI Shareholder Note**"). The CIHI Shareholder Note was originally recorded at a fair value of \$3,282 (C\$4,182) using a discount rate of 11.95%. On April 7, 2022, the CIHI Debenture was fully satisfied by way of conversion into 7,420,631 Federated Shares based on a conversion price per Federated Share of US\$0.504.

The CIHI Shareholder Note, including outstanding principal and accrued interest, has been fully satisfied as follows: (i) \$569 (C\$725) was repaid in cash on closing of the CIHI Acquisition; (ii) \$700 (C\$833) was repaid in cash on December 6, 2021; (iii) \$1,322 (C\$1,692) was repaid in cash on May 12, 2022; and (iv) \$844 (C\$1,075) was fully satisfied by way of conversion into 1,706,347 Federated Shares based on a conversion price per Federated Share of US\$0.504.

Prior to the CIHI Acquisition, shareholders and management of CIHI, controlling 51.8% of the shares of CIHI, owned 7.2% of Federated's shares prior to and after the CIHI Acquisition, making the transaction a related party transaction. Given such shareholders and management of CIHI did not have significant influence or voting control over Federated, the CIHI Acquisition was not considered a common control transaction.

Acquisition of Ubiquity Agency LLC

On September 8, 2022, the Company indirectly acquired 100% of the membership interests of Ubiquity Agency LLC ("**Ubiquity**"), through Ubiquity Agency Acquisition, Inc. ("**Ubiquity AcqCo**"), a Delaware corporation wholly owned by the Company and incorporated on August 12, 2022, for total consideration of \$44,300 (the "**Ubiquity Acquisition**").

On closing of the Ubiquity Acquisition, the consideration paid to the former Ubiquity members consisted of: (i) a convertible debenture with a fair value of \$13,750 (see note 14 of the Interim Financial Statements) (the "**Ubiquity Debenture**"), (ii) 41,000,000 Common Shares issued at the market price on the date immediately preceding closing of the Ubiquity Acquisition, being C\$0.34, and (iii) \$15,450 in cash. An additional cash payment of \$250 has been recorded as a holdback and is payable on September 8, 2023, subject to deduction in respect of indemnification claims, if any, pursuant to the terms of the transaction agreement. In addition, the Company assumed existing liabilities of Ubiquity in the aggregate amount of \$4,250. Post-acquisition, the Ubiquity Debenture was reduced by \$685 to

POPREACH CORPORATION (formerly Federated Foundry Limited)
Management's Discussion and Analysis
(expressed in thousands of United States Dollars, except share and per share amounts)
For the three and twelve months ended September 30, 2022

account for a preliminary net working capital adjustment pursuant to the terms of the transaction agreement. The purchase price allocation is subject to change pending finalization of the net working capital.

Further to the above, in the event that the Company does not elect, in the Company's own discretion, to prepay at least \$7,500 in principal of the Ubiquity Debenture on or before the date that is 120 days following completion of the Ubiquity Acquisition, an additional 3,000,000 Common Shares will be issued to the former members of Ubiquity.

BANK INDEBTEDNESS AND LOANS

Federated financing activity from January 21, 2021 (date of incorporation) through September 30, 2021

In order to provide working capital as well as finance the Q1Media Acquisition and Notify Acquisition, Federated assumed or entered into the following finance arrangements:

Federated \$1 Million Note

On May 26, 2021, Federated issued an unsecured promissory note to a third-party lender in the principal amount of \$1,000, bearing interest at 12.00% per annum and with a maturity date of September 1, 2021 (the "**Federated \$1 Million Note**"). In connection with the issuance of the Federated \$1 Million Note, Federated issued 1,488,095 Federated Shares to the lender as a loan bonus. The purpose of the Federated \$1 Million Note was to fund the working capital requirements of Federated.

Q1Media 2020 LOC

On December 15, 2020, Q1Media entered into a loan and security agreement with a third-party lender for a revolving line of credit (the "**2020 LOC**") for up to \$3,000, for an initial term of 12 months. The 2020 LOC bore interest until maturity at a rate of prime plus 1%, where prime is determined by the Wall Street prime rate as published in the Wall Street Journal. Accrued interest was due and payable on a monthly basis during the term of the 2020 LOC agreement and at maturity. The 2020 LOC is collateralized by substantially all of the Q1Media's assets. On the acquisition of Q1Media, Federated acquired an outstanding loan balance of \$1,000.

Initial Nye Note

On June 17, 2021, Federated issued an unsecured promissory note to a third-party lender in the principal amount of \$1,500 with a maturity date of December 1, 2021, and bearing interest at the rate of 10.00% per annum (the "**Initial Nye Note**"). The proceeds from the Initial Nye Note were used by Federated to fund a portion of the cash consideration payable in connection with the Q1Media Acquisition.

Subsequent Nye Note

On August 4, 2021, Federated issued an additional promissory note to a third-party lender in the principal amount of \$5,000 with a maturity date of August 4, 2024, and bearing interest at the rate of 8.00% per annum (the "**Subsequent Nye Note**"). A loan fee of \$1,000 was also payable by Federated to Mr. Nye under the terms of the Subsequent Nye Note on the maturity thereof. Federated's obligations under the Subsequent Nye Note were secured by a security interest over all of the assets of the Company. The proceeds from the Subsequent Nye Note were used by Federated to fund the cash consideration payable in connection with the Notify Acquisition.

Wiemann Note

On September 1, 2021, Federated issued an unsecured promissory note to a third-party lender, a senior officer of a subsidiary of Federated, in the principal amount of \$750 with a maturity date of January 3, 2022 (the "**Wiemann Note**"). A loan fee of \$75 was also payable by Federated to the third-party lender under the terms of the Wiemann Note on the maturity thereof. The proceeds from the Wiemann Note were used by Federated to repay the Federated \$1 Million Note in full.

Notify VTB Note

On August 6, 2021, Federated issued the Notify VTB Note, in the principal amount of \$10,600. The Notify VTB Note matured on the earlier of (i) February 6, 2022, and (ii) a going public transaction (as defined therein to include the Transaction). Federated's obligations under the Notify VTB Note were secured by a security interest granted to the Notify Vendors over the membership interests and the assets of Notify.

POPREACH CORPORATION (formerly Federated Foundry Limited)
Management's Discussion and Analysis
(expressed in thousands of United States Dollars, except share and per share amounts)
For the three and twelve months ended September 30, 2022

Federated financing activity from October 1, 2021 through the April 28, 2022 (date of the Transaction)

In order to fund the CIHI Acquisition, refinance existing debt, and provide working capital, Federated entered into the following finance arrangements:

CIHI Shareholder Note

In connection with the CIHI Acquisition, CIHI issued the CIHI Shareholder Note to the Shareholder Lenders. The CIHI Shareholder Note was originally recorded at a fair value of \$3,282 (C\$4,182) using a discount rate of 11.95%. CIHI's obligations under the CIHI Shareholder Note were secured by security interests granted to the Shareholder Lenders in the shares and assets of CIHI and the assets of CIHI's subsidiaries, being Crucial Interactive Inc., Media Xeo Inc., Contobox U.S. Inc., and Okra Media Inc. See "General Development of the Business – *CIHI Acquisition*" for additional details regarding the CIHI Shareholder Note.

Fiera Facility

On November 19, 2021, Federated entered into a commitment letter with Fiera FP Business Financing Fund L.P. ("**Fiera**") in respect of a term loan in the principal amount of \$12,500, which matured on the 8-month anniversary of the Disbursement Date (as defined below) and bore interest at the prime rate of interest (as determined by the National Bank of Canada), plus 7.50% per annum (the "**Fiera Facility**"). A commitment fee of \$250 was payable by Federated under the terms of the Fiera Facility and was fully satisfied by Federated on the Disbursement Date. Federated's obligations under the Fiera Facility were secured by a first-ranking security interest over all of the assets of Federated and each of its subsidiaries. Proceeds under the Fiera Facility were disbursed on December 6, 2021 (the "**Disbursement Date**") in order to repay the Notify VTB Note in full, the Q1Media 2020 LOC in full, and a portion of the CIHI Amended and Restated Loan.

Federated \$2.5 Million Note

On December 10, 2021, Federated issued an unsecured promissory note to a group of third party lenders, including an entity controlled by senior officers of a subsidiary of Federated, in the principal amount of \$2,500 with a maturity date of June 10, 2022 and bearing interest at the rate of 10.00% per annum (the "**Federated \$2.5 Million Note**"). Proceeds of the Federated \$2.5 Million Note were used to pay the principal and accrual interest of the Initial Nye Note in full, as well as the principal, loan fee, and accrued interest on the Wiemann Note in full on December 15, 2021, as well as to fund the working capital requirements of Federated.

Hastings Note

On January 18, 2022, Federated issued an unsecured promissory note to a senior officer and director of Federated, at the time of issuance being a related party, in the principal amount of \$400 with a maturity date of January 18, 2025 (the "**Federated Hastings Note**") and bearing interest at the rate of 8.00% per annum. The proceeds from the Federated Hastings Note were used by Federated to repay a portion of the Subsequent Nye Note.

Company Financing Activity from April 28, 2022 (date of the Transaction) through September 30, 2022

On completion of the Transaction, the Company assumed or entered into the following finance arrangements:

Scotia Facility

On April 28, 2022, PopReach's credit facility with the Bank of Nova Scotia (the "**Scotia Facility**") was acquired in connection with the Transaction. The facilities consisted of a non-revolving term facility of \$6,500 and a \$1,000 operating line of credit. The interest charged on the non-revolving term facility was equal to the US Base Lending Rate plus 3.50% per annum, and the interest rate charged on the operating line of credit was equal to the US Base Lending Rate plus 2.00% per annum. The facility matured in September 2023. On the close of the Transaction, the remaining undiscounted amount owing on the term loan was \$4,679, and \$nil was drawn on the operating line of credit.

BMO Facility

On April 18, 2022, the Company entered into a credit agreement for \$33,000 in senior secured credit facilities (the "**BMO Facilities**") with the Bank of Montreal ("**BMO**" or the "**Lender**"), which were subsequently closed by the Company on May 12, 2022. The BMO Facilities consist of an \$8 million revolving facility ("**Revolver**"), a \$25,000 non-revolving term facility ("**BMO Term Loan**"), and an "accordion" option for up to an additional \$15,000 acquisition facility subject to Lender and other typical approvals ("**Acquisition Line**") to support the Company's M&A growth strategy. The full \$25,000 available on the BMO Term Loan was drawn on May 12, 2022 on completion of the Transaction (the "**Initial BMO Draw**").

POPREACH CORPORATION (formerly Federated Foundry Limited)
Management's Discussion and Analysis
(expressed in thousands of United States Dollars, except share and per share amounts)
For the three and twelve months ended September 30, 2022

On September 8, 2022, the Company amended the BMO Facilities, to increase the BMO Term Loan by \$15,000 through the "accordion" option, with the additional \$15,000 drawn in full in order to fund the acquisition of Ubiquity discussed in note 27 (the "**Additional BMO Draw**"). After the amendment, the BMO Facilities are comprised of a \$40,000 BMO Term Loan and an unamended \$8,000 Revolver. All other material terms of the BMO Facilities remain unchanged.

The BMO Facilities bear interest at a rate of Lender's U.S. Base Lending Rate, currently 7.50%, plus an applicable margin. The Initial BMO Draw amortizes monthly beginning the first full quarter post-closing, with repayments of 55% of the amount drawn over a three year period. The Additional BMO Draw amortizes monthly beginning the first full month post-closing, with equal repayments over a five year term. Interest on the BMO Facilities is payable monthly in arrears. Total interest expense in the period April 18, 2022 through September 30, 2022 was \$704.

Prepayments of the Revolver are permitted without penalty at any time, in whole or in part; prepayments of the BMO Term Loan, in whole or in part, are permitted without penalty 24 months following close. If the BMO Term Loan is repaid prior to 24 months post-closing, such repayment is subject to a prepayment penalty. The BMO Facilities are guaranteed by the material subsidiaries of the Company and are secured by a first ranking security interest in favour of the Lender over all of the assets and properties of the Company and the guarantors, subject to customary permitted liens approved by the Lender.

Debt Repayments

On May 12, 2022, the Initial BMO Draw, along with \$2,343 of cash on hand, was used to repay the outstanding principal and accrued interest of the Scotia Facility in full, as well as all debt assumed by the Company on completion of the transaction including:

- the outstanding principal and accrued interest of the Fiera Facility in full;
- the outstanding principal, loan fee and accrued interest of the Subsequent Nye Note in full;
- the outstanding principal and accrued interest of the Federated \$2.5 Million Note in full; and
- the outstanding principal and accrued interest of the Hastings Note in full.

As of September 30, 2022, the Revolver remains undrawn, and the Company has no debt outstanding other than the \$40,000 on the BMO Term Loan.

As at September 30, 2022, the Company is compliant with all covenants of the BMO Facilities.

SEASONALITY

Online advertising, online commerce and internet usage are seasonally strongest in the fourth quarter and generally slower during the first quarter and summer months and as a result, operating results will fluctuate quarter by quarter. In addition, revenue and operating results may fluctuate quarter to quarter depending on sales cycles, network performance and customer demand. Costs are incurred more evenly throughout the year. In addition to the seasonal trends, revenue and operating profit can fluctuate from general economic conditions, and as a result, one quarter's revenue and operating results may not necessarily be indicative of a subsequent quarter's revenue and operating results. For these reasons, performance is not comparable quarter to consecutive quarter and is best considered on the basis of results for the whole year or by comparison of results in a quarter with results in the same quarter for the previous year.

COVID-19

The outbreak of the novel coronavirus COVID-19, which was declared a pandemic by the World Health Organization on March 11, 2020, has led to adverse impacts on the United States and global economies, disruptions of financial markets, and created uncertainty regarding potential impacts to the Company's operations. The COVID-19 pandemic has impacted and could further impact the Company's operations and the operations of the Company's customers, suppliers, and vendors as a result of quarantines, facility closures, and travel and logistics restrictions. The extent to which the COVID-19 pandemic impacts the Company's business, results of operations and financial condition will depend on future developments, which are highly uncertain and cannot be predicted, including, but not limited to the duration, spread, severity, and impact of the COVID-19 pandemic, the effects of the COVID-19 pandemic on the Company's customers, suppliers, and vendors and the remedial actions and stimulus measures adopted by local and federal governments, and to what extent normal economic and operating conditions can resume. The management team is closely following the progression of COVID-19 and its potential impact on the Company. Even after the COVID-19 pandemic has subsided, the Company may experience adverse impacts to its business as a result of any economic recession or depression that has occurred or may occur in the future.

POPREACH CORPORATION (formerly Federated Foundry Limited)
Management's Discussion and Analysis
(expressed in thousands of United States Dollars, except share and per share amounts)
For the three and twelve months ended September 30, 2022

Therefore, the Company cannot reasonably estimate the impact at this time on its business, liquidity, capital resources and financial results.

SELECTED FINANCIAL INFORMATION

Selected financial information of the Company from the Company's Interim Financial Statements and Annual Financial Statements for each of the periods indicated. The Company's functional and presentation currency is US Dollars. Except where indicated, the following financial data is reported in accordance with IFRS.

	For the three months ended			
	September 30, 2022	June 30, 2022	March 31, 2022	December 31, 2021
Revenue	\$ 25,477	\$ 20,688	\$ 14,480	\$ 16,005
Net loss	(1,886)	(1,443)	(820)	(1,738)
Comprehensive loss	(1,828)	(957)	(1,297)	(1,728)
Basic and diluted income (loss) and comprehensive income (loss) per common share	(0.01)	(0.01)	(0.01)	(0.01)
Total assets	150,297	106,109	74,309	75,317
Total liabilities	73,419	45,060	40,815	40,170
Non-GAAP:				
Adjusted EBITDA	2,970	2,810	1,017	2,790
Adjusted Free Cash Flow	2,456	2,085	1,002	2,773

	For the three months ended September 30, 2021	From January 25 to June 30, 2021
	Revenue	\$ 10,265
Net income (loss) and comprehensive income (loss)	46	(75)
Basic and diluted income (loss) and comprehensive income (loss) per common share	0.00	(0.00)
Total assets	56,248	5,504
Total liabilities	37,366	5,573
Non-GAAP:		
Adjusted EBITDA	1,226	(103)
Adjusted Free Cash Flow	1,220	(103)

POPREACH CORPORATION (formerly Federated Foundry Limited)
Management's Discussion and Analysis
(expressed in thousands of United States Dollars, except share and per share amounts)
For the three and twelve months ended September 30, 2022

Selected financial information from the statements of financial position as at September 30, 2022, June 30, 2022, March 31, 2022, and September 30, 2021 are as follows:

	As at				
	September 30, 2022	June 30, 2022	March 31, 2022	December 31, 2021	September 30, 2021
Cash	\$ 8,851	\$ 10,374	\$ 2,709	\$ 2,762	\$ 2,042
Working Capital ⁽¹⁾	(3,733)	3,940	(20,735)	(20,651)	(20,478)
Current assets	25,738	23,596	11,240	12,406	9,637
Total assets	150,297	106,109	74,309	64,755	56,248
Current liabilities	29,471	19,656	31,975	33,057	30,115
Other non-current liabilities	43,948	25,404	8,840	9,313	7,251
Shareholders' equity	76,878	61,049	33,493	34,934	28,519

⁽¹⁾ Working capital is defined as current assets less current liabilities

DISCUSSION OF OPERATIONS

	Three months ended		Twelve months ended	From
	September 30, 2022	September 30, 2021	September 30, 2022	January 25 to September 30, 2021
Revenue	\$ 25,477	\$ 10,265	\$ 76,649	\$ 10,265
Cost of sales	14,188	5,625	40,501	5,625
Operating expenses:				
Selling and marketing	3,722	1,917	11,881	1,917
General and administrative	3,109	1,287	10,751	1,392
Technology and development	2,053	210	4,462	210
Transaction costs	245	—	2,920	—
Depreciation and amortization	3,070	1,035	8,807	1,035
Other income (loss)	—	—	—	—
Finance costs	(688)	(507)	(2,913)	(528)
Foreign exchange gain	(39)	(108)	64	(86)
Fair value gain on financial liabilities	33	313	38	341
Fair value adjustment - contingent consideration	—	—	(33)	—
Gain on disposal of property and equipment	—	—	1	—
Loss on extinguishment of loan	—	—	(1,217)	—
Other income	—	11	378	11
Adjusted EBITDA	2,970	1,226	9,587	1,123

Revenue

During the three months ended September 30, 2022, the revenue of the Company of \$25,477 includes that of each of Q1Media, Notify, CIHI, and PopReach Games for the entire quarter, and Ubiquity from the date of acquisition, compared to \$10,265 for the three month period ended September 30, 2021, which includes revenues from Q1Media and Notify. During the twelve months ended September 30, 2022, the revenue of the Company of \$76,649 includes revenue from each acquisition from the date of each acquisition, compared to \$10,265 for the period from January 25 through September 30, 2021.

Cost of sales

Cost of sales are comprised of platform fee for the partner the Company is using for a given campaign, data targeting costs related to the campaign, media costs for the actual placements of the advertisements themselves, amounts paid to publishers to secure rights to send push notification advertisements to the publisher's subscriber database, and platform fees to digital platforms which distribute the Company's games.

During the three months ended September 30, 2022, the cost of sales of the Company of \$14,188 includes that of each of Q1Media, Notify, CIHI, and PopReach Games for the entire quarter, and Ubiquity from the date of acquisition, compared to \$5,625 for the three month period ended September 30, 2021, which includes cost of sales from Q1Media and Notify. During the twelve months ended September 30, 2022, the cost of sales of the Company of \$40,501 includes cost of sales from each acquisition from the date of each acquisition, compared to \$5,625 for the period from January 25 through September 30, 2021.

POPREACH CORPORATION (formerly Federated Foundry Limited)
Management's Discussion and Analysis
(expressed in thousands of United States Dollars, except share and per share amounts)
For the three and twelve months ended September 30, 2022

Selling and marketing

Sales and marketing expenses consist of all costs associated with selling and marketing the Company's services. The costs include all salary and benefit costs, personnel costs, commissions and variable compensation, travel, marketing, payroll taxes and employee health and related benefit expenses, for the sales, marketing, and account management teams.

During the three months ended September 30, 2022, the selling and marketing expenses of the Company of \$3,722 includes that of each of Q1Media, Notify, CIHI, and PopReach Games for the entire quarter, and Ubiquity from the date of acquisition, compared to \$1,917 for the three month period ended September 30, 2021, which includes selling and marketing from Q1Media and Notify. During the twelve months ended September 30, 2022, the selling and marketing expenses of the Company of \$11,881 includes selling and marketing expenses from each acquisition from the date of each acquisition, compared to \$1,917 for the period from January 25 through September 30, 2021.

General and administrative

General and administrative expenses include salaries and benefits, and share-based compensation of the administrative staff, occupancy costs, legal and professional fees, consulting fees, insurance, technology costs, bad debt expense, and supplies.

During the three months ended September 30, 2022, the general and administrative expenses of the Company of \$3,109 is due to general and administrative expenses from each of Q1Media, Notify, CIHI, and PopReach Games for the entire quarter, and Ubiquity from the date of acquisition, compared to \$1,287 for the three month period ended September 30, 2021, which includes general and administrative expenses from Q1Media and Notify. During the twelve months ended September 30, 2022, the general and administrative expenses of the Company of \$10,751 is due to general and administrative expenses from each acquisition from the date of each acquisition, compared to the period from January 25 through September 30, 2021.

Technology and development

Technology and development expenses includes web hosting and various hardware and software costs incurred by the Company, as well as salaries and benefits, and share-based compensation of technology and development staff.

During the three months ended September 30, 2022, the technology and development expenses of \$2,053 of the Company includes that of each of Q1Media, Notify, CIHI, and PopReach Games for the entire quarter, and Ubiquity from the date of acquisition, compared to \$210 for the three month period ended September 30, 2021, which includes technology and development expenses from Q1Media and Notify. During the twelve months ended September 30, 2022, the technology and development expenses of the Company of \$4,462 includes technology and development expenses from each acquisition from the date of each acquisition, compared to \$210 for the period from January 25 through September 30, 2021.

Transaction costs

Transaction costs are costs related to the Company's M&A activities. These relate to the acquisition of the subsidiaries, Q1Media, Notify, CIHI, the Transaction, and Ubiquity, as well as transaction costs related to acquisitions of certain portfolios of games.

Depreciation and amortization

The Company's depreciation and amortization expense consists of deprecation from property and equipment and acquired intangibles.

Finance costs

Finance costs relate to i) interest expense and interest accretion on the Company's loans, and ii) interest accretion on contingent consideration, warrant put liability, and lease liabilities.

Foreign exchange gain (loss)

Foreign exchange gain (loss) consists of the realized and unrealized exchange differences due to fluctuations between United States dollars, the Canadian dollar, the European Euro ("EUR") and the Great Britain Pound ("GBP"). The Company has not hedged foreign currency transactions, but may elect to do so in the future if it is determined to be advantageous.

Fair value gain/loss on financial liabilities

Fair value gain/loss on financial liabilities relate the change in fair value of the Subsequent Nye Note, contingent consideration, conversion features, and derivative liability, which are re-measured at fair value every quarter.

POPREACH CORPORATION (formerly Federated Foundry Limited)
Management's Discussion and Analysis
(expressed in thousands of United States Dollars, except share and per share amounts)
For the three and twelve months ended September 30, 2022

Loss on extinguishment of loan

The loss on extinguishment of loan is related to the full repayment of the Scotia Facility as well as all debt assumed by the Company on completion of the Transaction and related Debt Repayments. As there were capitalized costs that were not fully accreted and the loan was repaid prior to maturity, this resulted in a loss on extinguishment of the loan.

LIQUIDITY AND CAPITAL RESOURCES

Contractual obligations

The following is a summary of the Company's contractual obligations at September 30, 2022:

	As at September 30, 2022		
	Within one year	Between one and five years	More than five years
Accounts payable and accrued liabilities	\$ 17,215	\$ —	\$ —
Lease liability	409	129	—
Contingent consideration	384	1,521	—
Convertible debenture ¹	—	14,419	—
Loans payable ¹	11,014	35,109	—
Warrant put liability	1,000	—	—
Total	\$ 30,022	\$ 51,178	\$ —

¹ Includes principal and interest.

Risk factors

The Company is exposed in varying degrees to a variety of financial instrument related risks. The Board of Directors approves and monitors the risk management processes, inclusive of documented investment policies, counterparty limits, and controlling and reporting structures. The type of risk exposure and the way in which such exposure is managed is provided as follows:

Currency risk

Currency risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates.

Currency risk arises from financial instruments (including cash) that are denominated in a currency other than United States dollars, which represents the reporting currency of the Company.

The table below indicates the foreign currencies to which the Company has significant exposure at September 30, 2022 in United States dollar terms:

	CAD	GBP	EUR
Cash	\$ 830	\$ 279	\$ 798
Accounts receivable, net	1,469	12	151
Accounts payable and accrued liabilities	(744)	6	(91)

The table below details the effect on earnings before tax of a 10% strengthening or weakening of the USD exchange rate at the balance sheet date for balance sheet items denominated in the currencies shown above:

Currency	10% Strengthening/ weakening
CAD	\$ 155
GBP	30
EUR	86

Credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. The Company's primary exposure to credit risk is in its cash and accounts receivable. Cash is managed through the use of a major bank which is a high credit quality financial institution as determined by rating agencies and accounts receivable are managed

POPREACH CORPORATION (formerly Federated Foundry Limited)
Management's Discussion and Analysis
(expressed in thousands of United States Dollars, except share and per share amounts)
For the three and twelve months ended September 30, 2022

by management. The Company's secondary exposure to risk is on its other current assets. The carrying amount of financial assets represents the maximum credit exposure.

The Company reviews the components of these accounts on a regular basis to evaluate and monitor this risk. The Company's customers are generally financially established organizations, which limits the credit risk related to the customers. In addition, credit reviews, where necessary, consider the counterparty's financial, past experience and other factors.

The Company applies the simplified approach to provide for expected credit losses as prescribed by IFRS 9, which permits the use of the lifetime expected loss provision for all trade receivables and contract assets. The expected credit loss provision is based on the Company's historical collections and loss experience and incorporates forward-looking factors, where appropriate. The provision matrix below shows the expected credit loss rate for each aging category of trade receivables.

	As at September 30, 2022			
	Current	Over 30 days past due	Over 90 days past due	Total
Trade receivables gross balance	\$ 13,903	\$ 1,383	\$ 739	\$ 16,025
Expected credit loss rate	0%	15%	11%	2%
Expected credit loss allowance	60	211	79	350
Trade receivables, net of expected credit loss	\$ 13,843	\$ 1,172	\$ 660	\$ 15,675

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company has a planning and budgeting process in place to help determine the funds required to support the Company's normal operating requirements on an ongoing basis. The Company ensures that there are sufficient funds to meet its short-term business requirements, taking into account its anticipated cash flows from operations and its holdings of cash.

Historically, the Company's sole source of funding has been from financing and third-party and related-party loans payable. The Company's access to financing is always uncertain. There can be no assurance of continued access to significant debt or equity funding.

As at September 30, 2022, the Company had cash of \$8,851 (September 30, 2021 - \$2,042) and net working deficit of \$3,733 (September 30, 2021 - \$20,478). The increase in cash was due to the Transaction, along with the decrease in net working deficit.

The Company has generated positive cash flow from operations for the three months ended September 30, 2022, which have exceeded current working capital requirements. Excess funds from operating cash flow are used for bank credit facility debt repayments as well as to fund future investments.

Interest rate risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

The Company's BMO Facility has floating interest rates based on the U.S. Base Rate, defined as the higher of i) the variable annual rate of interest established by the Bank of Montreal from time to time as its reference rate then in effect for determining rates of interest on U.S. dollar commercial loans to its customers in Canada and designated as its U.S. Base Rate, and ii) the Federal Funds Overnight Rate plus 1.00%. As a result, the Company is exposed to interest rate risk due to fluctuations in the U.S. Interest expense has been recorded in the statement of loss and comprehensive loss. A change of 1.00% in the U.S. Base Rate would increase/decrease the interest expense by \$400 on an annual basis.

Capital management

The Company manages its capital structure and adjusts it based on the funds available to the Company, in order to support the general operations of the Company and facilitate its liquidity needs. The Company's policy is to maintain a strong capital base so as to maintain investor and creditor confidence, safeguard the Company's ability to support the expansion of sales and production of product and the development of new production sustain future development of the business. The Board of Directors does not establish quantitative return on capital criteria for management, but rather relies on the expertise of the Company's management to sustain future development of the business. The Company defines capital to include its working capital, available line of credit, and share capital position. Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company,

POPREACH CORPORATION (formerly Federated Foundry Limited)
Management's Discussion and Analysis
(expressed in thousands of United States Dollars, except share and per share amounts)
For the three and twelve months ended September 30, 2022

is reasonable. There were no changes in the Company's approach to capital management during the period ended September 30, 2022. The Company is not subject to externally imposed capital requirements.

CASH FLOWS BY ACTIVITY

The table below outlines a summary of cash inflows and outflows by activity for the three and twelve months ended September 30, 2022, compared to the three months ended September 30, 2021, and the period January 25 to September 30, 2021.

	Three months ended		Twelve months ended	From
	September 30,	September 30,	September 30,	January 25 to
	2022	2021	2022	September 30,
				2021
Operating activities	\$ 1,614	\$ (798)	\$ 4,592	\$ (798)
Financing activities	14,236	310	8,795	5,802
Investing activities	(17,505)	(2,962)	(6,641)	(2,962)
Effect of foreign currency exchange rate changes on cash	132	—	63	—
Net change in cash	\$ (1,523)	\$ (3,450)	\$ 6,809	\$ 2,042

Cash generated from (used in) Operating Activities

Cash generated by operating activities for the three months ended September 30, 2022 was \$1,614 compared to \$(798) for the three month period ending September 30, 2021 due to the acquisitions of Q1Media, Notify, CIHI, the Transaction, and Ubiquity.

Cash generated by operating activities for the twelve months ended September 30, 2022 was \$4,592 compared to \$(798) for the period of January 25, 2021 through September 30, 2021 due to the acquisitions of Q1Media, Notify, CIHI, the Transaction and Ubiquity.

Cash generated by Financing Activities

Cash generated by financing activities for the three months ended September 30, 2022 was \$14,236 compared to \$310 for the three month period ending September 30, 2021. The increase in cash is due to loan proceeds from the BMO Facilities, less principal and interest payments during the three month period ending September 30, 2022, compared to cash generated from the Notify VTB Note during the three month period ending September 30, 2021.

Cash generated by financing activities for the twelve months ended September 30, 2022 was \$8,795 compared to \$5,802 for the period of January 25, 2021 through September 30, 2021. The increase is due to loan proceeds from the BMO Facilities, less cash being used as a result of the Transaction for the Debt Repayments, principal and interest payments on the BMO Facilities, along with repayments of the Wiemann and Initial Nye Note during the twelve month period ending September 30, 2022, compared to cash generated from the Federated \$1 Million Note, the Initial Nye Note, and the Notify VTB Note during the period of January 25, 2021 through September 30, 2021.

Cash used in Investing Activities

Cash used in investing activities for the three months ended September 30, 2022 was \$(17,505) compared to \$(2,962) for the three month period ending September 30, 2021 due to cash used for the Ubiquity Acquisition, along with additions to intangible assets related to capitalized salaries for certain intangible asset development.

Cash used in investing activities for the twelve months ended September 30, 2022 was \$(6,641) compared to \$(2,962) for the period of January 25, 2021 through September 30, 2021 due to cash acquired from the Transaction and the CIHI Acquisition, less cash used for the Ubiquity Acquisition, along with the acquisition of property and equipment and additions to intangible assets related to capitalized salaries for certain intangible asset development.

POPREACH CORPORATION (formerly Federated Foundry Limited)
Management's Discussion and Analysis
(expressed in thousands of United States Dollars, except share and per share amounts)
For the three and twelve months ended September 30, 2022

OUTSTANDING SHARE DATA

The Company is authorized to issue an unlimited number of special shares without nominal or par value and an unlimited number of common shares. The table below lists the securities outstanding:

	As at November 28, 2022	As at September 30, 2022	As at September 30, 2021
Common shares	275,266,828	275,266,828	140,200,897
Share options	8,603,000	8,620,500	—
Warrants	7,699,705	7,699,705	—
Restricted share units	7,854,000	6,854,000	—
Convertible debenture	17,700,321	17,646,902	—
Total Common Shares on a fully-diluted basis	317,123,854	316,087,935	140,200,897

¹ A convertible debenture ("Ubiquity Debenture") was issued in connection with the acquisition of Ubiquity, which allows the holder the right to convert the debenture into common shares of the Company, at any time prior to maturity at a price of US\$0.78. In addition, the Company has the option to pay accrued and unpaid interest in cash or by issuing additional common shares at the greater of US\$0.78 and the then-market price of the shares (as defined by the policies of the Exchange). Based on the outstanding principal and accrued interest, the outstanding balance, if converted into common shares, would convert into 17,646,902 common shares at September 30, 2022 and 17,700,321 shares at November 28, 2022. As of November 28, 2022, the holders have not elected to exercise the conversion feature on the Ubiquity Debenture. Further to the above, in the event that the Company does not elect, in the Company's own discretion, to prepay at least \$7,500 in principal of the Ubiquity Debenture on or before the date that is 120 days following completion of the Ubiquity Acquisition, an additional 3,000,000 Common Shares (the "Contingent Shares") will be issued to the former members of Ubiquity.

OFF BALANCE SHEET ARRANGEMENTS

As at September 30, 2022, the Company had no off-balance sheet arrangements that have or are reasonably likely to have a current or future effect on the Company's financial condition, changes in financial condition, revenues or expenses, results of operations, liquidity, capital expenditures or capital resources that is material to investors.

RELATED PARTY TRANSACTIONS

The key management personnel of the Company are certain members of the Company's executive management team and the Board of Directors, and private companies controlled by the Company's Officers and Board of Directors.

The following table presents the compensation of the key management personnel recognized in net loss:

	Three months ended		Twelve months ended	
	September 30, 2022	September 30, 2021	September 30, 2022	From January 25 to September 30, 2021
Management salaries, bonuses and other benefits - prior to Transaction	\$ 526	\$ 503	\$ 2,557	\$ 599
Management salaries, bonuses and other benefits - post Transaction	476	—	792	—
Director fees	80	—	88	—
Share-based payment - management	222	—	296	—
Share-based payment - directors	22	—	31	—
Total	\$ 1,326	\$ 503	\$ 3,764	\$ 599

As at September 30, 2022, included in accounts payable and accrued liabilities was \$362 of payments owed to key management personnel for accrued employee compensation.

Certain related parties are also significant shareholders who exude control over certain customers and vendors of the Company. These customers and vendors are therefore related to the Company.

POPREACH CORPORATION (formerly Federated Foundry Limited)
Management’s Discussion and Analysis
(expressed in thousands of United States Dollars, except share and per share amounts)
For the three and twelve months ended September 30, 2022

The following table presents the related party balances as they appear on the statement of financial position:

	<u>As at</u> <u>September 30,</u> <u>2022</u>	<u>As at</u> <u>September 30,</u> <u>2021</u>
Balances included in accounts receivable	\$ 12	\$ 568
Balances included in accounts payable and accrued liabilities	(362)	(1,404)
Balances included in convertible debenture	—	(8,000)
Balances included in contingent consideration	—	(830)
Balances included in loans	—	(17,643)
Net related party balances owing	\$ (350)	\$ (27,309)

The following table presents the cumulative related party customers and vendors transactions that flowed through the various line items of the statement of loss and comprehensive loss:

	<u>Three months</u> <u>ended</u>		<u>Twelve months</u> <u>ended</u>		<u>From</u> <u>January 25 to</u> <u>September 30,</u> <u>2021</u>	
	<u>September 30,</u> <u>2022</u>	<u>September 30,</u> <u>2021</u>	<u>September 30,</u> <u>2022</u>	<u>September 30,</u> <u>2022</u>	<u>September 30,</u> <u>2021</u>	<u>September 30,</u> <u>2021</u>
Revenues from related parties	\$ 18	\$ 275	\$ 1,013	\$ 275		
Cost of sales	89	2	316	2		
General and administrative	2,118	867	6,613	963		
Technology and development	380	205	1,427	205		
Finance costs	—	—	1,831	—		

SIGNIFICANT ACCOUNTING POLICIES

The Company uses information from the Interim Financial Statements, prepared in accordance with IFRS and expressed in thousands of US dollars, except share and per share amounts, to prepare this MD&A. The significant accounting policies used are outlined in Note 3 of the Interim Financial Statements.

SIGNIFICANT JUDGMENTS AND ESTIMATES

Please see Note 2 in the Interim Financial Statements for full discussion of use of estimates and judgments.

Financial Instruments and Other Instruments

Please see Notes 4, 10, 11, 14, 15, 16, 17 and 18 in the Interim Financial Statements and Annual Financial Statements for full discussion of financial instruments and other instruments.

CONTROLS CERTIFICATION

In connection with National Instrument 52-109 Certification of Disclosure in Issuer’s Annual and Interim Filings (“NI 52-109”), the Chief Executive Officer and Chief Financial Officer, will file a Venture Issuer Basic Certificate with respect to the financial information contained in condensed interim consolidated financial statements and the audited annual financial statements and respective accompanying Management’s Discussion and Analysis. The Venture Issuer Basic Certification does not include representations relating to establishment and maintenance of disclosure controls and procedures and internal control over financial reporting, as defined in NI 52-109.

RISK FACTORS AND UNCERTAINTIES

The Company is exposed to a variety of business risks, financial and accounting risks and industry risks in the normal course of operations.

Risks Related to Our Business and Industry

The Company's business will suffer if it is unable to entertain its players, acquire new games, improve the experience of its existing games, and successfully monetize its games.

The Company's business will depend on acquiring, consolidating, operating, publishing, enhancing and continuing to service Free-to-Play ("FTP") games that consumers will download and spend time and money playing. The Company will be primarily focused on mobile gaming, offering its games on mobile devices, including smartphones and tablets on Apple's iOS and Google's Android operating systems, and on social networking platforms such as Facebook. The Company expects to devote substantial resources to the research, development, analytics and marketing of its existing and acquired games. The Company's development and marketing efforts are focused on both improving the experience of its existing games (frequently through new content and feature releases for its live services) and acquiring and consolidating new games. The Company will generate revenue primarily through the sale of in-game virtual items and advertising. For games distributed through third-party platforms, the Company is required to share a portion of its revenues from in-game sales with the platform providers. These costs are expected to remain a significant operating expense. In order to remain profitable, the Company needs to generate sufficient bookings and revenues from its existing and new game offerings to offset its ongoing development, marketing and operating costs.

Successfully monetizing FTP games is difficult, and requires that the Company deliver valuable and entertaining player experiences that a sufficient number of players will pay for or the Company is able to otherwise sufficiently monetize its games (for example, by serving in-game advertising). The most successful FTP games tend to include socio-competitive gameplay, deep meta game features, player versus player activities, regularly updated content and other complex technological and creative attributes. While the Company will work to include such features in its games, it may not successfully update its games to include these features or they may not be well received by its players. The success of the Company's games depends, in part, on unpredictable and volatile factors beyond the Company's control including consumer preferences, competing games, new mobile platforms and the availability of other entertainment experiences. If the Company's games do not meet consumer expectations, or if they are not brought to market in a timely and effective manner, the Company's ability to grow revenue and the Company's financial performance will be negatively affected.

In addition to the market factors noted above, the Company's ability to successfully acquire, consolidate, operate, publish and enhance FTP games and enhance its existing games and their ability to achieve commercial success will depend on the Company's ability to:

- continually anticipate and respond to changes in the applications industry, particularly in the mobile and social platforms;
- effectively market its games to existing and new players;
- achieve benefits from its player acquisition costs;
- successfully navigate and adapt to changes in digital platform and OS policies, such as Apple's change to iOS 14 in relation to IDFA (Identifier for Advertisers), and Facebook's deprecation of Gameroom;
- achieve viral organic growth and gain customer interest in its games through free or more efficient channels;
- adapt to changing player preferences;
- adapt to new technologies, such as changing feature sets and specifications for mobile and other devices, and the end-of-life of old technologies, such as Adobe Flash;
- expand and enhance games;
- attract, retain and motivate talented and experienced game designers, product managers and engineers;
- achieve a positive return on its advertising investments;
- partner with mobile platforms and obtain featuring opportunities;
- continue to adapt game feature sets for an increasingly diverse set of devices, including various operating systems and specifications, limited bandwidth, and varying processing power and screen sizes;
- minimize cost overruns on the development of acquired games and new features;

POPREACH CORPORATION (formerly Federated Foundry Limited)
Management's Discussion and Analysis
(expressed in thousands of United States Dollars, except share and per share amounts)
For the three and twelve months ended September 30, 2022

- achieve and maintain successful customer engagement and effectively monetize its games;
- maintain a quality social game experience and retain its players;
- acquire games that can build upon or become franchise games;
- compete successfully against a large and growing number of existing market participants;
- accurately forecast the timing and expense of its operations, including game and feature development, marketing and customer acquisition, customer adoption, and success of bookings growth;
- minimize and quickly resolve bugs or outages; and
- acquire and successfully integrate high quality FTP game assets, personnel or companies.

The Company's efforts to acquire, consolidate, operate, publish, and enhance games may prove unsuccessful or, even if successful, it may take more time than the Company anticipates to achieve significant revenue because, among other reasons:

- the Company frequently faces multiple offer scenarios when attempting to acquire game assets; well-capitalized competitors with more cash, and greater access to equity and debt financing, may be able to offer the sellers of game assets better commercial terms than the Company is able to offer;
- the limited market for the Company's securities could make it difficult for sellers of game assets to accept the Company's common shares as payment, partial or whole, for their game assets;
- players may not widely download its games for a variety of reasons, including:
 - competition for downloads not only with other games but also with social media and other non-gaming related applications;
 - limits on the number of applications players are willing to download to and maintain on their devices;
 - poor consumer reviews or other negative publicity;
 - ineffective or insufficient marketing efforts;
 - lack of sufficient social and community features; and
 - lack of prominent storefront featuring.
- even if its games are widely downloaded, the Company may fail to retain users or optimize the monetization of these games; this may occur for a variety of reasons, including poor game design or quality, lack of social and community features, gameplay issues such as game unavailability, long load times or an unexpected termination of the game due to data server or other technical issues, lack of differentiation from predecessor games or other competitive games, lack of innovative features that surprise and delight the Company's players, differences in user demographics and purchasing power or its failure to effectively respond and adapt to changing user preferences through game updates;
- the Company may encounter difficulties in generating sufficient consumer interest in and downloads of its original intellectual property games;
- well-funded public and private companies have or may plan to release games in the same genres as its games or games incorporating the same licensed brands that the Company intends to use in its games, and this competition may make it more difficult for the Company to differentiate its games and derive significant revenue from them;
- the Company may have difficulty hiring the experienced monetization, live operations, server technology, user experience and product management personnel that it requires to develop and support its games, and may, as a result, face difficulties in developing unique gameplay; and
- the Company depends on the proper and continued functioning of servers and third-party infrastructure to operate its connected games that are delivered as a service.

If the Company does not achieve a sufficient return on its investment with respect to its FTP business model, it will negatively affect its operating results and may require the Company to formulate a new business strategy.

POPREACH CORPORATION (formerly Federated Foundry Limited)
Management's Discussion and Analysis
(expressed in thousands of United States Dollars, except share and per share amounts)
For the three and twelve months ended September 30, 2022

These and other uncertainties make it difficult to know whether the Company will succeed in continuing to acquire, consolidate, operate, publish and enhance successful games and features in accordance with its strategic and operating plans. If the Company does not succeed in doing so, its business, financial condition, results of operations or reputation will suffer.

The Company's business depends on their ability to maintain the quality of content for clients and publishers.

Clients' satisfaction depends on the Company's ability to place advertisements with publisher content that is well-suited to the client's product or service. If the Company is unable to keep its clients' advertisements from being placed in unlawful or inappropriate content, its reputation and business may suffer. In particular, the Company could be treated as a spammer and blocked by internet service providers or regulators. In addition, if the Company places advertisements on websites containing content that is not permitted under the terms of the applicable agreements with a client, it may be unable to charge the client for impressions or clicks generated on those sites, the client may terminate their campaign, the client may require the Company to indemnify them for any resulting third party claims, or the client may allege breach of contract. Further, publishers and exchange partners rely upon the Company not to place advertisements with inappropriate or unlawful content on their websites. As the Company grows its business to serve a larger number of smaller clients using self-service tools with less intervention, it could become more challenging to prevent inappropriate or unlawful advertisements from being shown. If the Company is unable to maintain the quality of its client and publisher content as the number of clients and publishers it works with continues to grow, the Company's reputation and business may suffer and it may not be able to retain or secure additional clients or publisher relationships.

The Company's revenue and results of operations are highly dependent on the overall demand for advertising. Factors that affect the amount of advertising spending, such as economic downturns and the COVID-19 pandemic, can make it difficult to predict its revenue and could adversely affect its business, results of operations, and financial condition.

The Company's business depends on the overall demand for advertising and on the economic health of its current and prospective publishers and buyers. Various macroeconomic factors could cause advertisers to reduce their advertising budgets, including adverse economic conditions and general uncertainty about economic recovery or growth; instability in political or market conditions generally; and any changes in tax treatment of advertising expenses and the deductibility thereof. Reductions in overall advertising spending as a result of these factors could make it difficult to predict the Company's revenue and could adversely affect its business, results of operations, and financial condition.

Market pressure may reduce the Company's revenue per impression.

The Company's revenue may be affected by market changes, new demands by publishers and buyers, new solutions, and competitive pressure. Solutions may be priced too high or too low, either of which may carry adverse consequences. The Company may receive requests from publishers for discounts, fee revisions, rebates, and refunds, or from demand-side platforms, agencies and advertisers for volume discounts, fee revisions, and rebates. Any of these developments could adversely affect the Company's business, results of operations, or financial condition.

The Company's industry is intensely competitive and subject to rapid changes. If consumers prefer its competitors' products or services over the Company's, the Company's operating results could suffer.

The market for internet advertising solutions is highly competitive and rapidly changing. New technologies and methods of buying advertising present a dynamic competitive challenge as market participants develop and offer multiple new products and services aimed at facilitating and/or capturing advertising spend. With the introduction of new technologies and the influx of new entrants to the market, including large established companies and companies that the Company does not yet know about or does not yet exist, the Company expects competition to persist and intensify in the future, which could harm its ability to increase sales and maintain its profitability.

The Company generally has flexible agreements in place with its customers. Such agreements allow its customers to change the amount of spend through its platform or terminate its services with limited notice. As a result, the introduction of new entrants or technology that are superior to or that achieve greater market acceptance than the Company's products and solutions could negatively impact our revenue. In such an event, the Company may experience a reduction in market share and may have to respond by reducing our prices, resulting in lower profit margins.

Large and established internet and technology companies may have the power to significantly change the very nature of the digital advertising marketplaces in ways that could materially disadvantage the Company. These companies could leverage their positions to make changes to their web browsers, mobile operating systems, platforms, exchanges, networks or other solutions or services that could be significantly harmful to the Company's business and results of operations. These companies also have significantly larger resources than the Company does, and in many cases have advantageous competitive positions in popular products and services like Gmail, YouTube, Chrome, Facebook and Instagram, which they can use to their advantage. Furthermore, competitors include large and established internet and technology companies that have invested substantial resources in innovation, which could lead to technological advancements that change the competitive dynamics of our business in ways that the Company may not be able to predict.

POPREACH CORPORATION (formerly Federated Foundry Limited)
Management's Discussion and Analysis
(expressed in thousands of United States Dollars, except share and per share amounts)
For the three and twelve months ended September 30, 2022

In addition to competing for advertising spend, the Company competes with many companies for advertising inventory, some of whom also operate their own advertising networks or exchanges from which the Company buys advertising inventory. Some of these companies that the Company competes with, either for advertising spend or for advertising inventory, may also be the Company's clients or affiliated with the Company's clients or important sources of advertising inventory. Competitive pressure may incentivize such companies to cease to be clients of the Company or cease to provide access to their advertising inventory. If this were to occur, the Company's ability to place advertisements would be significantly impaired and our results of operations would be adversely affected. Competition could also hinder the success of new advertising solutions that the Company offers in the future.

If any of these risks were to materialize and the Company is unable to compete effectively or the Company is not as successful as its competitors in its target markets, its sales could decline, its margins could decline and it could lose market share, any of which would materially harm the Company's business, operating results and financial condition. Any of these developments would make it more difficult for the Company to sell their offerings and could result in increased pricing pressure, reduced gross margins, increased sales and marketing expense and/or the loss of market share.

If the use of digital advertising is rejected by consumers, through opt-in, opt-out or ad-blocking technologies or other means, it could have an adverse effect on the Company's business, results of operations, and financial condition.

Consumers may download free or paid "ad blocking" software on their computers or mobile devices, not only for privacy reasons, but also to counteract the adverse effect advertisements can have on the consumer experience, including increased load times, data consumption, and screen overcrowding. Ad-blocking technologies and other global privacy controls may prevent some third-party cookies, or other tracking technologies, from being stored on a consumer's computer or mobile device. If more consumers adopt these measures, the Company's business, results of operations, and financial condition could be adversely affected. Ad-blocking technologies could have an adverse effect on the Company's business, results of operations, and financial condition if they reduce the volume or effectiveness and value of advertising. Even if ad blockers do not ultimately have an adverse effect on the Company's business, investor concerns about ad blockers could cause the Company's stock price to decline.

In addition, internet-connected devices and operating systems controlled by third parties increasingly contain features that allow device users to disable functionality that allows for the delivery of advertising on their devices. Device and browser manufacturers may include or expand these features as part of their standard device specifications. For example, when Apple announced that UDID, a standard device identifier used in some applications, was being superseded and would no longer be supported, application developers were required to update their apps to utilize alternative device identifiers such as universally unique identifier, or, more recently, identifier-for-advertising, which simplify the process for Apple users to opt out of behavioral targeting. If users elect to utilize the opt-out mechanisms in greater numbers, the Company's ability to deliver effective advertising campaigns on behalf of its advertisers would suffer, which could cause the Company's business, financial condition, or results of operations to suffer.

Company's success and revenue growth depends on its ability to add new customers and retain its existing customers.

The Company's success is dependent on regularly adding new customers and increasing its customers' usage of its platform. Many of the Company's contracts and relationships with customers do not include automatic renewal or exclusive obligations requiring them to use its platform or maintain or increase their use of its platform. The Company's customers typically have relationships with numerous providers and can use both the Company's platform and those of its competitors without incurring significant costs or disruption. The Company's customers may also choose to decrease their overall marketing spend for any reason, including if they do not believe they are generating a sufficient return on their marketing spend. Accordingly, the Company must continually work to win new customers and retain existing customers, increase their usage of our platform and capture a larger share of their marketing spend. The Company may not be successful at educating and training its new and existing customers on how to use its platform in order for them to benefit from it and generate revenues.

If the Company's customers decide not to continue to use its platform or decrease their usage of our platform for any reason, or if the Company fails to attract new customers, its revenue could decline, which would materially and adversely harm its business, operating results and financial condition. The Company cannot assure investors that its customers will continue to use and increase their spend on its platform or that the Company will be able to attract a sufficient number of new customers to continue to grow its revenue. If customers representing a significant portion of the Company's business decide to materially reduce their use of its platform or cease using its platform altogether, the Company's revenue could be significantly reduced, which could have a material adverse effect on its business, operating results and financial condition. The Company may not be able to replace customers who decrease or cease their usage of our platform with new customers that will use its platform to the same extent.

If the Company fails to make the right investment decisions in its platform, or if they fail to innovate and develop new solutions that are adopted by its customers, they may not attract and retain customers, which could have an adverse effect on their business, results of operations, and financial condition.

POPREACH CORPORATION (formerly Federated Foundry Limited)
Management's Discussion and Analysis
(expressed in thousands of United States Dollars, except share and per share amounts)
For the three and twelve months ended September 30, 2022

The Company faces intense competition in the marketplace and is confronted by rapidly changing technology, evolving industry standards, and consumer preferences, regulatory changes, and the frequent introduction of new solutions by its competitors that it must adapt and respond to. The Company needs to continuously update its platform and the technology it invests in and develop, including machine learning and other proprietary algorithms, in order to attract publishers and buyers and keep ahead of changes in technology, evolving industry standards and regulatory requirements. The Company's platform is complex and new solutions can require a significant investment of time and resources to develop, test, introduce, and enhance. These activities can take longer than expected. Moreover, the Company may not make the right decisions regarding these investments. New formats and channels, such as mobile header bidding and connected television, present unique challenges that must be addressed in order to succeed. The Company's success in new formats and channels depends upon its ability to integrate its platform with these new formats and channels. If the Company's new formats are not widely adopted by publishers, they may not retain publishers. In addition, new demands from publishers and buyers, superior offerings by competitors, changes in technology, or new industry standards or regulatory requirements could render the Company's platform or existing solutions less effective and require them to make unanticipated changes to its platform or business model. Failure to adapt to a rapidly changing market, anticipate publisher and buyer demand, or attract and retain publishers would cause the Company's revenue or revenue growth rate to decline, and adversely affect its business, results of operations, and financial condition.

Players may decide to select competing forms of entertainment instead of playing the Company's games.

As an entertainment company, the Company also faces competition for the leisure time, attention and discretionary spending of its players from other non-gaming activities, such as social media and messaging applications, personal computer and console games, video streaming services, television, movies, sports and the Internet. Increasing competition could result in loss of players, increasing player acquisition and retention costs, and loss of talent, all of which could harm the Company's business, financial condition or results of operations.

If players do not find the formats of the Company's games compelling and engaging, the Company could lose players and its revenue could decline.

Consumer tastes and preferences are subject to frequent changes, and it is possible that players could lose interest in the format of the Company's games or the mobile game genre over time due to a variety of reasons, including the emergence of new formats that players find more engaging, increased popularity of other game titles, or lack of sustained interest or loss of interest in particular games or the genre of the games. If large numbers of players were to lose interest in the mobile game genre or in the format of the games the Company offers, or if the Company is not able to anticipate and develop games in new genres or formats, the Company could lose players and its revenue and business could be harmed.

The Company relies on third-party platforms such as the Apple App Store, the Google Play Store and Facebook to distribute its games and collect revenue. If the Company is unable to maintain a good relationship with such platform providers, if their terms and conditions or pricing changed to the Company's detriment, if the Company violates, or if a platform provider believes that the Company has violated, the terms and conditions of its platform, or if any of these platforms loses market share or falls out of favor or is unavailable for a prolonged period of time, the Company's business will suffer.

The Company will derive a significant portion of its bookings from distribution of its games on the Apple App Store, the Google Play Store, and Facebook and the virtual items the Company sells in its games are purchased using the payment processing systems of these platform providers.

The Company is subject to the standard policies and terms of service of third-party platforms, which govern the promotion, distribution, content and operation generally of games on the platform. Each platform provider has broad discretion to change and interpret its terms of service and other policies with respect to the Company and other developers, and those changes may be unfavorable to the Company. A platform provider may also change its fee structure, add fees associated with access to and use of its platform, alter how the Company is able to advertise on the platform, change how the personal information of its users is made available to application developers on the platform, limit the use of personal information for advertising purposes, or restrict how players can share information with their friends on the platform or across platforms.

In addition, third-party platforms also impose certain file size limitations, which may limit the ability of players to download some of the Company's larger games in over-the-air updates. Aside from these over-the-air file size limitations, a larger game file size could cause players to delete the Company's games once the file size grows beyond the capacity of their devices' storage limitations or could reduce the number of downloads of these games.

Such terms of use changes may decrease the visibility or availability of the Company's games, limit its distribution capabilities, prevent access to its existing games, reduce the amount of bookings and revenue it may recognize from in-game purchases, increase its costs to

POPREACH CORPORATION (formerly Federated Foundry Limited)
Management's Discussion and Analysis
(expressed in thousands of United States Dollars, except share and per share amounts)
For the three and twelve months ended September 30, 2022

operate on these platforms or result in the exclusion or limitation of its games on such platforms. Any such changes could adversely affect the Company's business, financial condition or results of operations.

If the Company violates, or a platform provider believes the Company has violated, its terms of service (or if there is any change or deterioration in the Company's relationship with these platform providers), that platform provider could limit or discontinue the Company's access to the platform. A platform provider could also limit or discontinue the Company's access to the platform if it establishes more favorable relationships with one or more of the Company's competitors or it determines that the Company is a competitor. Any limit or discontinuation of the Company's access to any platform could adversely affect the Company's business, financial condition or results of operations.

The Company also relies on the continued popularity, customer adoption, and functionality of third-party platforms. In the past, some of these platform providers have been unavailable for short periods of time or experienced issues with their in-app purchasing functionality. If either of these events recurs on a prolonged, or even short-term, basis or other similar issues arise that impact players' ability to access the Company's games, access social features or purchase a license to virtual items, the Company's business, financial condition, results of operations or reputation may be harmed.

The Company relies on third-party hosting and cloud computing providers to operate certain aspects of its business. Any failure, disruption or significant interruption in its network or hosting and cloud services could adversely impact the Company's operations and harm its business.

The Company's technology infrastructure is critical to the performance of its games and to player satisfaction, as well as its corporate functions. The Company's games and company systems run on a complex distributed system, or what is commonly known as cloud computing. Significant elements of this system are operated by third-parties that it does not control and which would require significant time and expense to replace. The Company expects this dependence on third-parties to continue. The Company may suffer interruptions in service, including when releasing new software versions or bug fixes, and if any such interruption were significant and/or prolonged it could adversely affect the Company's business, financial condition, results of operations or reputation.

Any failure, disruption or interference with the Company's use of hosted cloud computing services and systems provided by third-parties could adversely impact the Company's business, financial condition or results of operations. To the extent the Company does not effectively respond to any such interruptions, upgrade its systems as needed and continually develop its technology and network architecture to accommodate traffic, the Company's business, financial condition or results of operations could be adversely affected. Furthermore, the Company's disaster recovery systems and those of third-parties with which it does business may not function as intended or may fail to adequately protect its critical business information in the event of a significant business interruption, which may cause interruption in service of its games, security breaches or the loss of data or functionality, leading to a negative effect on the Company's business, financial condition or results of operations. If users are unable to access and play the Company's games for any period of time, if virtual assets are lost, or if users do not receive their purchased virtual currency, the Company may receive negative publicity and game ratings, the Company may lose players of its games, the Company may be required to issue refunds, and the Company may become subject to regulatory investigation or class action litigation, any of which would negatively affect the Company's business. Any of these problems could require the Company to incur substantial repair costs, distract management from operating its business and result in a loss of revenue.

The Company's operating results may be volatile and difficult to predict, and the Company's stock price may decline if it fails to meet the expectations of securities analysts or investors.

The Company's operating results may fluctuate and could vary significantly from quarter-to-quarter and year-to-year, and may fail to match the expectations of securities analysts or investors because of a variety of factors, some of which are outside of the Company's control.

The Company's liquidity and revenue can fluctuate quarter to quarter as certain of its customers have seasonal marketing spend. The varying nature of the Company's pricing mix between periods, customers and products may also make it more difficult for it to forecast its future operating results. Further, these factors may make it more difficult to make comparisons between prior, current and future periods. As a result, period-to-period comparisons of the Company's operating results should not be relied upon as an indication of its future performance.

In addition, the following factors may cause the Company's operating results to fluctuate:

- its ability to attract new customers and retain and increase sales to existing customers;
- changes in its pricing policies, the pricing policies of our competitors and the pricing or availability of data or other third-party services;
- the seasonal budgeting cycles and internal marketing budgeting and strategic purchasing priorities of its customers;

POPREACH CORPORATION (formerly Federated Foundry Limited)
Management's Discussion and Analysis
(expressed in thousands of United States Dollars, except share and per share amounts)
For the three and twelve months ended September 30, 2022

- its ability to continue to develop and offer products and solutions that are superior to those of its competitors;
- its ability to develop its existing platform and introduce new solutions on its platform;
- its ability to retain and attract top talent;
- its ability to anticipate or respond to changes in the competitive landscape, or improvements in the functionality of competing solutions that reduce or eliminate one or more of its competitive advantages;
- its ability to maintain and expand our relationships with data centers and strategic third-party technology vendors, who provide floor space, bandwidth, cooling and physical security services on which its platform operates;
- its ability to successfully expand its business internationally;
- the emergence of significant privacy, data protection, security or other threats, regulations or requirements applicable to its business and shifting views and behaviors of consumers concerning use of data and data privacy;
- extraordinary expenses, such as litigation or other dispute-related settlement payments; and
- future accounting pronouncements or changes in our accounting policies.

Any one of the factors referred to above or the cumulative effect of any combination of factors referred to above may result in the Company's operating results being below its expectations and the expectations of securities analysts and investors, or may result in significant fluctuations in our quarterly and annual operating results, including fluctuations in the Company's key performance indicators. This variability and unpredictability could result in our failure to meet the Company's business plan or the expectations of securities analysts or investors for any period. In addition, a significant percentage of the Company's operating expenses are fixed in nature in the short term and based on forecasted revenue trends. Accordingly, in the event of revenue shortfalls, the Company is generally unable to mitigate the negative impact on its results of operations in the short term.

If the Company is unable to maintain effective internal control over financial reporting, the accuracy and timeliness of its financial reporting may be adversely affected.

Maintaining effective internal control over financial reporting is necessary for the Company to produce reliable financial statements. If the Company is unable to maintain such internal controls, or if its independent registered public accounting firm is unable to express an opinion as to the effectiveness of its internal controls, it could result in a material misstatement of the Company's financial statements that would require a restatement, and investor confidence in the accuracy and timeliness of its financial reports and the market price of its common stock could be negatively impacted.

Future acquisitions or strategic investments could be difficult to identify and integrate, divert the attention of management and could disrupt the Company's business, dilute stockholder value and adversely affect its business, results of operations and financial condition.

The Company intends to evaluate and pursue acquisitions and strategic investments. Each of these acquisitions require unique approaches to integration due to, among other reasons, the structure of the acquisitions, their locations and cultural differences among their teams and the Company's, and will require, attention from the Company's management team. If the Company is unable to obtain the anticipated benefits from these acquisitions and strategic investments, or the Company encounters difficulties in integrating their operations with the acquisitions, the Company's financial condition and results of operations could be materially harmed.

Challenges and risks from such investments and acquisitions include:

- negative effects on products and product pipeline from the changes and potential disruption that may follow the acquisition;
- diversion of the Company's management's attention;
- declining employee morale and retention issues resulting from changes in compensation, or changes in management, reporting relationships, or future prospects;
- the need to integrate the operations, systems, technologies, products and personnel of each acquired company or asset, the inefficiencies and lack of control that may result if such integration is delayed or not implemented, and unforeseen difficulties and expenditures that may arise in connection with integration;
- the difficulty in determining the appropriate purchase price of acquired companies or assets may lead to the overpayment for certain acquisitions and the potential impairment of intangible assets and goodwill acquired in the acquisitions;
- the difficulty in successfully evaluating and utilizing the acquired products, technology or personnel;

POPREACH CORPORATION (formerly Federated Foundry Limited)
Management's Discussion and Analysis
(expressed in thousands of United States Dollars, except share and per share amounts)
For the three and twelve months ended September 30, 2022

- the potential incurrence of debt, contingent liabilities, amortization expenses or restructuring charges in connection with any acquisition;
- the need to implement controls, procedures and policies appropriate for a larger public company at companies that prior to acquisition may not have as robust controls, procedures and policies;
- the difficulty in accurately forecasting and accounting for the financial impact of an acquisition transaction, including accounting charges and integrating and reporting results for acquired companies that follow different accounting methods;
- the fact that the Company may be required to pay contingent consideration in excess of the initial fair value, and contingent consideration may become payable at a time when the Company does not have sufficient cash available to pay such consideration;
- under purchase accounting, the Company may be required to write off deferred revenue which may impair its ability to recognize revenue that would have otherwise been recognizable which may impact its financial performance or that of the acquired company;
- risks associated with the Company's expansion into new international markets and doing business internationally;
- in the case of foreign acquisitions, the need to integrate operations across different cultures and languages and to address the particular economic, currency, political and regulatory risks associated with specific countries;
- the need to transition operations and customers onto the Company's existing or new platforms and the potential loss of, or harm to, its relationships with employees, customers and other suppliers as a result of integration of new technologies;
- the implications of the Company's management team balancing levels of oversight over acquired businesses which continue their operations under earnout provisions in acquisition agreements;
- the Company's dependence on the accuracy and completeness of statements and disclosures made or actions taken by the companies it acquires or their representatives, when conducting due diligence and evaluating the results of such due diligence; and
- liability for activities of an acquired company before an acquisition, including intellectual property and other litigation claims or disputes, information security vulnerabilities, violations of laws, rules and regulations, commercial disputes, tax liabilities and other known and unknown liabilities.

The benefits of an acquisition or investment may also take considerable time to develop, and the Company cannot be certain that any particular acquisition or investment will produce the intended benefits, which could adversely affect the Company's business, financial condition or results of operations. The Company's ability to grow through future acquisitions will depend on the availability of suitable acquisition and investment candidates at an acceptable cost, its ability to compete effectively to attract these candidates and the availability of financing to complete larger acquisitions. Acquisitions could result in potential dilutive issuances of equity securities, use of significant cash balances or incurrence of debt (and increased interest expense), contingent liabilities or amortization expenses related to intangible assets or write-offs of goodwill and/or intangible assets, which could adversely affect the Company's results of operations and dilute the economic and voting rights of its stockholders.

The FTP business model of the Company's games depends on purchases of virtual items within the games, and the Company's business, financial condition and results of operations will be materially and adversely affected if it does not continue to successfully implement this model.

The games are available to players for free, and the Company generates revenue from them if the players purchase in-game virtual items that enhance their skills to help players progress further in the game. If the Company fails to offer popular virtual items, make unpopular changes to existing virtual items or offer games that do not attract purchases of virtual items, or if the Company's distribution partners make it more difficult or expensive for players to purchase in-game virtual items, the Company's business, financial condition and results of operations will be materially and adversely affected.

A small number of games may generate a majority of the Company's revenue, and it must continue to acquire, consolidate, operate, publish and enhance games that players like and attract and retain a significant number of players in order to grow its revenue and sustain its competitive position.

The Company may depend on a small number of games for a majority of its revenue. Bookings and revenue from many of its games, including games it may in the future acquire and consolidate pursuant to its business strategy, may decline over time after reaching a peak of popularity and player usage. If the Company is unable to continue to acquire, consolidate, enhance or otherwise offer games

POPREACH CORPORATION (formerly Federated Foundry Limited)
Management's Discussion and Analysis
(expressed in thousands of United States Dollars, except share and per share amounts)
For the three and twelve months ended September 30, 2022

that encourage these players to purchase virtual items, if these players do not continue to play the Company's games, or if the Company cannot encourage significant additional players to purchase virtual items in the games, the Company will not be able to sustain its revenue growth rate, and its business would be harmed. As a result, its business depends on its ability to engage with players by consistently and timely acquiring, consolidating, growing and otherwise offering new games and enhancing existing games with new content, features and events. Constant game enhancement requires the investment of significant resources, particularly with older games, and such costs on average have increased.

It is difficult to consistently anticipate player demand on a large scale, particularly as the Company acquires, consolidates, operates, enhances and otherwise offers games in new categories or new markets, including international markets and mobile platforms. If the Company does not successfully acquire, consolidate, operate, enhance and otherwise offer games that attract and retain a significant number of players and extend the life of its existing games, its market share, brand and financial results will be harmed.

The Company may fail to attract new customers, and the number of customers will fluctuate, any of which will materially and adversely affect its results of operations and financial condition.

In order to acquire new players, the Company uses a variety of marketing channels, including advertising and online through mobile and social networks. Acquiring players can be costly and the effectiveness of such efforts can vary widely by game, geography and platform. Furthermore, the Company's success of the business will depend in large part on its ability to initially and continually attract players of its games and, on an ongoing basis, to generate revenue from existing players and migrate them to new games and new platforms. As the Company's player network will continue to evolve, it is possible that the composition of its player network may change in a manner that makes it more difficult to generate sufficient revenue to offset the costs associated with acquiring new players and retaining existing players. Additionally, the cross-promotions may be ineffective or could be restricted by platforms thereby reducing retention of the existing players. If the cost to acquire players is greater than the revenue the Company generates over time from those players and the Company cannot successfully migrate its existing players to new games and new platforms, its business and operating results will be harmed.

The Company may rely on a small portion of its total players for nearly all of its revenue and if it fails to grow its player base, or if player engagement declines, bookings, revenue and operating results will be harmed.

The Company may rely on a small portion of its total players for the majority of its revenue derived from in-app purchases (as opposed to advertisements). To significantly increase its revenue, the Company must increase the number of downloads of its games, increase the number of players who convert into paying players by making in-app purchases or enrolling in subscriptions, increase the amount that paying players spend in its games and/or increase the length of time players generally play its games. The Company might not succeed in its efforts to increase the monetization rates of its users, particularly if the Company does not increase the number of social features in its games or otherwise improve its games through updates and live operations. If the Company is unable to convert non-paying players into paying players, or if it is unable to retain paying players or if the average amount of revenue generated from players does not increase or declines, the Company's business may not grow, its financial results will suffer, and its stock price may decline.

The value of the Company's virtual items is highly dependent on how it manages the economies in its games. If the Company fails to manage its game economies properly, its business may suffer.

Paying players purchase a license to virtual items in the Company's games because of the perceived value of these goods, which is dependent on the relative ease of obtaining an equivalent good by playing the games. The perceived value of these virtual items can be impacted by various actions that the Company take in the games including offering discounts for virtual items, giving away virtual items in promotions or providing easier non-paid means to secure these goods. Managing game economies is difficult, and relies on the Company's assumptions and judgement. If the Company fails to manage its virtual economies properly or fails to promptly and successfully respond to any such disruption, its reputation may suffer and players may be less likely to play its games and to purchase virtual items from the Company in the future, which would cause the business, financial condition and results of operations of the Company to suffer.

If the Company does not manage its growth effectively, the quality of its platform and solutions may suffer, and its business, results of operations and financial condition may be adversely affected.

The continued growth in the Company's business may place demands on its infrastructure and our operational, managerial, administrative and financial resources. The Company's success will depend on the ability of its management to manage growth effectively. Among other things, this will require the Company at various times to:

- strategically invest in the development and enhancement of its platform and data center infrastructure;
- improve coordination among its engineering, product, operations and other support organizations;
- manage multiple relationships with various partners, customers and other third parties;

POPREACH CORPORATION (formerly Federated Foundry Limited)
Management's Discussion and Analysis
(expressed in thousands of United States Dollars, except share and per share amounts)
For the three and twelve months ended September 30, 2022

- manage international operations;
- develop its operating, administrative, legal, financial and accounting systems and controls; and
- recruit, hire, train and retain personnel, especially those possessing extensive engineering skills and experience in complex technologies and data sciences, of which there is limited supply and increasing demand.

If the Company does not manage its growth well, the efficacy and performance of its platform may suffer, which could harm our reputation and reduce demand for its platform and solutions. Failure to manage future growth effectively could have an adverse effect on its business, results of operations and financial condition.

If the Company fails to detect or prevent fraud or malware intrusion on its platform, devices, or systems, or into the systems or devices of its customers and their consumers, publishers could lose confidence in the Company's platform, and the Company could face legal claims, any of which could adversely affect its business, results of operations and financial condition.

The Company may be the target of fraudulent or malicious activities undertaken by persons seeking to use its platform for improper purposes. For example, someone may attempt to divert or artificially inflate customer purchases through its platform, or to disrupt or divert the operation of the systems, and devices of its publishers, and their consumers in order to misappropriate information, generate fraudulent billings or stage cyberattacks, or for other unauthorized or illicit purposes. Those activities could also introduce malware through the Company's platform in order to commandeer or gain access to confidential information or personal information. The Company uses third-party tools and proprietary technology to identify non-human traffic and malware, and may reduce or terminate relationships with customers that it finds to be engaging in such activities. Perpetrators of fraudulent impressions and malware frequently change their tactics and may become more sophisticated over time, requiring both us and third parties to improve processes for assessing the quality of publisher inventory and controlling fraudulent activity. In the meantime, new or changing data privacy laws (in particular outside the U.S.) could potentially interfere with the data collection required in order to detect fraud. If the Company fails to detect or prevent fraudulent or malicious activity of this sort, the Company's reputation could be damaged, customers may contest payment, demand refunds or fail to give the Company future business, or the Company could face legal claims from customers. Even if the Company is not directly involved in fraud or malicious activity, any sustained failures of others in the Company's industry to adequately detect and prevent fraud could generate the perception that digital marketing is unsafe and lead the Company's customers to avoid digital marketing products like those of the Company.

The Company is subject to payment-related risks if customers dispute or do not pay their invoices, and any decreases or significant delays in payments could have a material adverse effect on our business, results of operations and financial condition. These risks may be heightened as a result of the COVID-19 pandemic and resulting economic downturn.

The Company may become involved in disputes with its customers over the operation of its platform, the terms of its agreements or its billings for purchases made by them through the Company's platform. Customers may seek to slow their payments to the Company or be forced into filing for bankruptcy protection, resulting in delay or cancelation of their pending payments to the Company. These challenges may be exacerbated by the COVID-19 pandemic and the resulting economic impact as a number of customers experience financial difficulties and liquidity constraints. Certain of the Company's contracts with marketing agencies state that if their customer does not pay the agency, the agency is not liable to the Company, and the Company must seek payment solely from their customer, a type of arrangement called sequential liability. Contracting with these agencies, which in some cases have or may develop higher-risk credit profiles, may subject the Company to greater credit risk than if the Company were to contract directly with the customer.

If the Company is unable to collect customers' fees on a timely basis or at all, the Company could incur write-offs for bad debt, which could have a material adverse effect on its results of operations for the periods in which the write-offs occur. In the future, bad debt may exceed reserves for such contingencies, and the Company's bad debt exposure may increase over time. Any increase in write-offs for bad debt could have a materially negative effect on the Company's business, financial condition and operating results. Even if the Company is not paid by its customers on time or at all, it may still be obligated to pay for the inventory it has purchased for its customers' marketing campaigns, and consequently, the Company's results of operations and financial condition would be adversely impacted.

The Company's revenue may be harmed by the proliferation of "cheating" programs and scam offers that seek to exploit its games and players, which may negatively affect game-playing experience and its ability to reliably validate its audience metric reporting and may lead players to stop playing its games.

Unrelated third parties have developed, and may continue to develop, "cheating" programs that enable players to exploit vulnerabilities in the Company's games, play them in an automated way, collude to alter the intended game play or obtain unfair advantages over other players who do play fairly. These programs harm the experience of players who play fairly, may disrupt the virtual economies of the Company's games and reduce the demand for virtual items, disrupting the Company's in-game economy. In addition, unrelated third parties have attempted to scam its players with fake offers for virtual items or other game benefits. If the Company is unable to discover, discourage and disable these cheating and scam programs and activities quickly, its operations may be disrupted, its reputation may be

POPREACH CORPORATION (formerly Federated Foundry Limited)
Management's Discussion and Analysis
(expressed in thousands of United States Dollars, except share and per share amounts)
For the three and twelve months ended September 30, 2022

damaged, players may stop playing its games and its ability to reliably validate its audience metrics may be negatively affected. These cheating programs and scam offers result in lost revenue from paying players, disrupt the Company's in-game economies, divert time from its personnel, increase costs of developing technological measures to combat these programs and activities, increase its customer service costs needed to respond to dissatisfied players, and may lead to legal claims.

Some of the Company's players may make sales or purchases of virtual items used in its games through unauthorized or fraudulent third-party websites, which may reduce the Company's revenue.

Virtual items in the Company's games have no monetary value outside of its games. Nonetheless, some of its players may make sales and/or purchases of its virtual items through unauthorized third-party sellers in exchange for real currency. These unauthorized or fraudulent transactions are usually arranged on third-party websites and the virtual items offered may have been obtained through unauthorized means such as exploiting vulnerabilities in its games, from scamming its players with fake offers for virtual items or other game benefits, or from credit card fraud. The Company does not generate any revenue from these transactions. These unauthorized purchases and sales from third-party sellers could in the future impede the Company's revenue and profit growth by, among other things:

- decreasing revenue from authorized transactions;
- creating downward pressure on the prices the Company charges players for its virtual currency and virtual items;
- increasing chargebacks from unauthorized credit card transactions;
- causing the Company to lose revenue from dissatisfied players who stop playing a particular game;
- causing the Company to lose revenue from players who the Company takes disciplinary action against, including banning certain players who may have previously made purchases within its games;
- increasing costs the Company incurs to develop technological measures to curtail unauthorized transactions;
- resulting in negative publicity or harm the Company's reputation with players and partners; and
- increasing customer support costs to respond to dissatisfied players.

The Company will employ technological measures to help detect unauthorized transactions and continue to develop additional methods and processes by which the Company can identify unauthorized transactions and block such transactions. However, there can be no assurance that the Company's efforts to prevent or minimize these unauthorized or fraudulent transactions will be successful and that these actions will not increase over time.

The Company is subject to laws and regulations concerning privacy, information security, data protection, consumer protection and protection of minors, and these laws and regulations are continually evolving. The Company's actual or perceived failure to comply with these laws and regulations could harm its business.

The Company receives, stores and processes personal information and other player data, and the Company enables its players to share their personal information with each other and with third parties, including on the Internet and mobile platforms. There are numerous federal, state, provincial and local laws around the world regarding privacy and the storing, sharing, use, processing, disclosure and protection of personal information and other player data on the Internet and mobile platforms, the scope of which are changing, subject to differing interpretations, and may be inconsistent between countries or conflict with other rules. In addition, in some cases, the Company will be dependent upon its platform providers to solicit, collect and provide information regarding its players that is necessary for compliance with these various types of regulations.

Various government and consumer agencies have called for new regulation and changes in industry practices and are continuing to review the need for greater regulation for the collection of information concerning consumer behavior on the Internet, including regulation aimed at restricting certain targeted advertising practices. For example, the European Union's General Data Protection Regulation ("GDPR"), which became effective in May 2018, created new individual privacy rights and imposes worldwide obligations on companies processing personal data of European Union users, which may create a greater compliance burden for the Company and other companies with European users, and subjects violators to substantial monetary penalties. Another example is the State of California's passage of the California Consumer Protection Act of 2018 ("CCPA"), which became effective in 2020 and created new privacy rights for consumers residing in the state. There is also increased attention being given to the collection of data from minors. For instance, the Children's Online Privacy Protection Act ("COPPA") requires companies to obtain parental consent before collecting personal information from children under the age of 13. Compliance with GDPR, CCPA, COPPA and similar legal requirements may require the Company to devote significant operational resources and incur significant expenses.

The Company strives to comply with all applicable laws, policies, legal obligations and industry standards and codes of conduct relating to privacy and data protection, to the extent reasonably attainable. However, it is possible that these obligations may be interpreted and

POPREACH CORPORATION (formerly Federated Foundry Limited)
Management's Discussion and Analysis
(expressed in thousands of United States Dollars, except share and per share amounts)
For the three and twelve months ended September 30, 2022

applied in a manner that is inconsistent from one jurisdiction to another and may conflict with other rules or the Company's practices. It is also possible that new laws, policies, legal obligations or industry codes of conduct may be passed, or existing laws, policies, legal obligations or industry codes of conduct may be interpreted in such a way that could prevent the Company from being able to offer services to citizens of a certain jurisdiction or may make it costlier or more difficult for it to do so. Any failure or perceived failure by the Company to comply with its privacy policy and terms of service, its privacy-related obligations to consumers or other third parties, or its privacy-related legal obligations, or any compromise of security that results in the unauthorized release or transfer of personally identifiable information or other consumer data, may result in governmental enforcement actions, litigation or public statements against the Company by consumer advocacy groups or others and could cause customers to lose trust in the Company, which could have an adverse effect on the business, financial condition or results of operations of the Company. Additionally, if third parties it works with, such as advertisers, publishers, vendors or developers violate applicable laws or its policies, such violations may also put consumer information at risk and could in turn have an adverse effect on the business, financial condition or results of operations of the Company.

The Company's business depends on its ability to collect, use, and disclose data to deliver advertisements. Any limitation imposed on the Company's collection, use or disclosure of this data could significantly diminish the value of its solution and cause it to lose publishers, buyers, and revenue. Consumer tools, regulatory restrictions and technological limitations all threaten the Company's ability to use and disclose data.

As the Company processes transactions through its platform, it collects large amounts of data about advertisements and where they are placed, such as advertiser and publisher preferences for media and advertising content. The Company also collects data on ad specifications such as placement, size and format, ad pricing, and auction activity such as price floors, bid response behavior, and clearing prices. Further, the Company collects data on consumers that does not identify the individual, including browser, device location and characteristics, online browsing behavior, exposure to and interaction with advertisements, and inferential data about purchase intentions, and preferences. This data is collected through various means, including from the Company's own systems, pixels that publishers allow the Company to place on its websites to track consumer visits, software development kits installed in mobile applications, cookies, and other tracking technologies. The Company's publishers, buyers, and data providers may choose to provide the Company with their proprietary data about consumers.

This data is aggregated and analyzed in order to enhance the Company's services, including the pricing, placement, and scheduling of advertisements. The Company's ability to collect, use and share data about advertising transactions and consumer behavior is critical to the value of its services. Any limitations on this ability could impair the Company's ability to deliver effective solutions, which could adversely affect its business, results of operations, and financial condition.

Cybersecurity attacks, including breaches, computer viruses and computer hacking attacks could harm the Company's business, financial condition, results of operations or reputation.

Cybersecurity attacks, including breaches, computer malware and computer hacking have become more prevalent in the Company's industry. Any cybersecurity breach caused by hacking, which involves efforts to gain unauthorized access to information or systems, or to cause intentional malfunctions or loss or corruption of data, software, hardware or other computer equipment, or the inadvertent transmission of computer viruses could adversely affect the business, financial condition, results of operations or reputation of the Company. The Company believes that it is taken reasonable steps to protect the security, integrity and confidentiality of the information collected, used, stored and disclosed, but there is no guarantee that in the future inadvertent (e.g., software bugs or other technical malfunctions, employee error or malfeasance, or other factors) or unauthorized data access or use will not occur despite its efforts in the past and in the future. The Company will experience hacking attacks of varying degrees from time to time, including denial-of-service attacks. Techniques used to obtain unauthorized access to personal information, confidential information and/or the systems on which such information are stored and/or to sabotage systems change frequently and generally are not recognized until launched against a target. As a result, the Company may be unable to anticipate these techniques or to implement adequate preventative measures.

In addition, the Company stores sensitive information, including personal information about its employees, and its games involve the storage and transmission of players' personal information on equipment, networks and corporate systems run by the Company or managed by third-parties including Facebook, Apple, Microsoft, Amazon, and Google. The Company is subject to a number of laws, rules and regulations requiring it to provide notification to players, investors, regulators and other affected parties in the event of a security breach of certain personal data, or requiring the adoption of minimum information security standards that are often vaguely defined and difficult to practically implement. The costs of compliance with these laws have increased and may increase in the future. The Company's corporate systems, third-party systems and security measures may be breached due to the actions of outside parties, employee error, malfeasance, a combination of these, or otherwise, and, as a result, an unauthorized party may obtain access to its data, its employees' data, its players' data or any third-party data it may possess. Any such security breach could require the Company to comply with various breach notification laws and may expose the Company to litigation, remediation and investigation costs, increased costs for security measures, loss of revenue, damage to the Company's reputation and potential liability.

POPREACH CORPORATION (formerly Federated Foundry Limited)
Management's Discussion and Analysis
(expressed in thousands of United States Dollars, except share and per share amounts)
For the three and twelve months ended September 30, 2022

The Company is subject to a number of laws, rules and regulations requiring it to provide notification to consumers, investors, regulators and other affected parties in the event of a security breach of certain personal data, or requiring the adoption of minimum information security standards that are often vaguely defined and difficult to practically implement. The costs of compliance with these laws have increased and may increase in the future. The Company's corporate systems, third-party systems and security measures may be breached due to the actions of outside parties, employee error, malfeasance, a combination of these, or otherwise, and, as a result, an unauthorized party may obtain access to its data, its employees' data, its players' data or any third party data it may possess. Any such security breach could require the Company to comply with various breach notification laws and may expose the Company to litigation, remediation and investigation costs, increased costs for security measures, loss of revenue, damage to the Company's reputation and potential liability.

If an actual or perceived security breach occurs, the market perception of the Company's security measures could be harmed and it could lose sales and customers and/or suffer other negative consequences to its business. A security breach could adversely affect the game playing experience and cause the loss or corruption of data, which could harm the Company's business, financial condition and operating results. Any failure to maintain the security of the Company's infrastructure could result in loss of personal information and/or other confidential information, damage to its reputation and customer relationships, early termination of its contracts and other business losses, indemnification of its customers, financial penalties, litigation, regulatory investigations and other significant liabilities. In the event of a major third-party security incident, the Company may incur losses in excess of its insurance coverage. Further, certain incidents that Company can experience may not be covered by the insurance coverage in place at the time.

Moreover, if a high profile security breach occurs with respect to the Company or another digital entertainment company, the Company's customers and potential customers may lose trust in the security of its business model generally, which could adversely impact its ability to retain existing customers or attract new ones.

Catastrophic events may disrupt the Company's business.

The Company's systems and operations are vulnerable to damage or interruption from fires, floods, power losses, telecommunications failures, cyber-attacks, terrorist attacks, acts of war, human errors, break-ins and similar events. Additionally, the Company will rely on data centers and third-party infrastructure and enterprise applications, internal technology systems and its website for development, marketing and operational support activities. In the event of a catastrophic event, the Company may be unable to continue its operations and may endure system interruptions, reputational harm, delays in application development, lengthy interruptions in services, breaches of data security and loss of critical data, all of which could have an adverse effect on the Company's future operating results.

If the Company does not successfully invest in, establish and maintain awareness of its brand and games, if it incurs excessive expenses promoting and maintaining its brand, or its games or if its games contain defects or objectionable content, the business, financial condition, results of operations or reputation of the Company could be harmed.

The Company believes that establishing and maintaining its brand is critical to maintaining and creating favorable relationships with players, platform providers, advertisers and content licensors, as well as competing for key talent. In addition, globalizing and extending its brand and recognition of its games requires significant investment and extensive management time to execute successfully. Although the Company will make significant sales and marketing expenditures in connection with the launch of its games, these efforts may not succeed in increasing awareness of its brand or newly acquired games. Brand promotion activities may not generate consumer awareness or increase revenue, and even if they do, any increase in revenue may not offset the expenses the Company will incur in building its brand. In addition, the Company's brand can be harmed if it experiences adverse publicity for its games for any reason, including due to "bugs", outages, security breaches or violations of laws. If the Company fails to increase and maintain brand awareness and consumer recognition of its games, its potential revenues could be limited, its costs could increase and its business, financial condition, results of operations or reputation could suffer.

If the Company is able to acquire, consolidate, operate, publish and enhance games and features that achieve success, it is possible that these games and features could divert players of its other games without growing the Company's overall user base, which could harm operating results.

Although it is important to the Company's future success that it operate, enhance and develop acquired games and new game features that are popular with players, it is possible that these games and features may reduce the amount of time players spend with its other games. In particular, the Company plans to continue leveraging its existing games to cross-promote acquired games and new features, which may encourage players of existing games to divert some of their playing time and discretionary spending away from its existing games. If these games and game features do not grow its player base, increase the overall amount of time players spend with its games, or generate sufficient new bookings to offset any declines from its other games, the Company's bookings and revenue could be adversely affected.

The Company derives a significant portion of its revenues from advertisements and offers that are incorporated into its FTP games through relationships with third parties. If the Company is unable to continue to compete for these advertisements and offers, or if any

POPREACH CORPORATION (formerly Federated Foundry Limited)
Management's Discussion and Analysis
(expressed in thousands of United States Dollars, except share and per share amounts)
For the three and twelve months ended September 30, 2022

events occur that negatively impact its relationships with advertisers, its advertising revenues and operating results would be negatively impacted.

The Company derives a significant portion of its revenues through advertisements and offers it serves to players. The Company needs to maintain good relationships with advertisers to provide a sufficient inventory of advertisements and offers. Online advertising, including through mobile games and other applications, is an intensely competitive industry. Many large companies, such as Amazon, Facebook and Google, invest significantly in data analytics to make their websites and platforms more attractive to advertisers. In order for the Company's advertising business to continue to succeed, it needs to continue to demonstrate the reach of its player network and success of its advertising partners. If the Company's relationship with any advertising partners terminates for any reason, or if the commercial terms of its relationships are changed or do not continue to be renewed on favorable terms, the Company would need to qualify new advertising partners, which could negatively impact its revenues, at least in the short term.

In addition, internet-connected devices and operating systems controlled by third parties increasingly contain features that allow device users to disable functionality that allows for the delivery of advertising on their devices. Device and browser manufacturers may include or expand these features as part of their standard device specifications. For example, when Apple announced that UDID, a standard device identifier used in some applications, was being superseded and would no longer be supported, application developers were required to update their apps to utilize alternative device identifiers such as universally unique identifier, or, more recently, identifier-for-advertising, which simplify the process for Apple users to opt out of behavioral targeting. If users elect to utilize the opt-out mechanisms in greater numbers, the Company's ability to deliver effective advertising campaigns on behalf of its advertisers would suffer, which could cause the Company's business, financial condition, or results of operations to suffer. Finally, the revenues that the Company derives from advertisements and offers is subject to seasonality, as companies' advertising budgets are generally highest during the fourth quarter and decline significantly in the first quarter of the following year, which negatively impacts the Company's revenues in the first quarter.

The Company's revenue, and operating margins may decline. The Company also may incur substantial net losses in the future and may not achieve or sustain profitability.

The industry in which the Company operates is highly competitive and rapidly changing, and relies heavily on successful new product launches and continually introducing compelling products and services. As such, if the Company fails to acquire, consolidate, operate, publish, enhance or otherwise deliver such products and services, does not execute its strategy successfully or if its new products and services are delayed, the Company's revenue may decline, and its operating results will suffer.

In addition, the Company's operating margin may experience downward pressure as a result of increasing competition and the other risks discussed in this Circular. The Company expects to continue to expend substantial financial and other resources on industry acquisitions and consolidation as well as platform development and marketing. The Company's operating costs will increase and its operating margins may decline if it does not effectively manage costs, launch new products and features on schedule that monetize successfully and enhance its platform so that it continues to monetize successfully. In addition, weak economic conditions or other factors could cause the Company's business to further contract, requiring it to implement significant additional cost cutting measures, including a decrease in research and development and sales and marketing, which could harm the Company's long-term prospects.

In addition, as a public company, the Company incurs significant accounting, legal and other expenses that, as a private company, it did not incur. As a result of these increased expenditures, the Company's profitability may take longer than anticipated to achieve. While the Company's revenue is expected to grow, this growth may take longer than anticipated to realize and it may not be sustainable, and the Company may not achieve sufficient revenue growth in future periods to achieve or maintain profitability. In future periods, the Company's revenue could decline or grow more slowly than expected. The Company may also incur significant losses in the future for a number of reasons, including due to the other risks described herein, and it may encounter unforeseen expenses, difficulties, complications, delays and other unknown factors. Accordingly, the Company may not be able to maintain profitability, and it may incur losses in the future.

If the Company's revenues do not increase to offset any additional expenses, if it fails to manage or experience unexpected increases in operating expenses or if it is required to take additional charges related to impairments or restructurings, the Company's financial results and results of operations may suffer.

The Company relies on assumptions and estimates to calculate certain of its key metrics, and real or perceived inaccuracies in such metrics may harm the Company's reputation and negatively affect its business.

Certain of the Company's key metrics are calculated using internal company data from multiple analytics systems that have not been independently verified. While these numbers are based on what the Company believes to be reasonable calculations for the applicable period of measurement, there are inherent challenges in measuring usage and user engagement across its user base and its recently acquired operations, and factors relating to user activity and systems may impact these numbers.

POPREACH CORPORATION (formerly Federated Foundry Limited)
Management's Discussion and Analysis
(expressed in thousands of United States Dollars, except share and per share amounts)
For the three and twelve months ended September 30, 2022

The Company relies on the accuracy and transparency of data provided by individuals and reported by third parties to calculate its metrics and eliminate duplication of data. The Company's advertisers and investors rely on its key metrics as a representation of its performance. The Company regularly reviews and may adjust its processes for calculating its internal metrics to improve their accuracy, but these efforts may not prove successful and the Company may discover material inaccuracies. In addition, its methodology for calculating these metrics may differ from the methodology used by other companies to calculate similar metrics. If the Company determines that it can no longer calculate any of its key metrics with a sufficient degree of accuracy, and it cannot find an adequate replacement for the metric, the Company's business, financial condition or results of operations may be harmed. In addition, if advertisers, platform partners or investors do not perceive the Company's user metrics to be accurate representations of its user base or user engagement, or if the Company discovers material inaccuracies in its user metrics, the Company's reputation may be harmed and advertisers and platform partners may be less willing to allocate their budgets or resources to its products and services, which could negatively affect the Company's business, financial condition or results of operations.

Any restructuring actions and cost reduction initiatives that the Company undertakes may not deliver the expected results and these actions may adversely affect the Company's business.

The Company may implement a number of restructurings in which it implements certain restructuring actions and cost reduction initiatives to streamline operations and improve cost efficiencies to better align its operating expenses with its revenue. The Company plans to continue to manage costs to better and more efficiently manage its business. Any restructuring plans and other such efforts could result in disruptions to the Company operations and adversely affect its business, financial condition or results of operations.

The Company actively monitors its costs, however, if it does not fully realize or maintain the anticipated benefits of any restructuring actions and cost reduction initiatives, the Company's business, financial condition or results of operations could be adversely affected, and additional restructuring initiatives may be necessary. In addition, the Company cannot be sure that any cost reduction initiatives will be as successful in reducing its overall expenses as expected or that additional costs will not offset any such reductions. If its operating costs are higher than it expects or if it does not maintain adequate control of its costs and expenses, the Company's operating results will suffer.

In addition, any cost cutting measures by the Company could negatively impact its business, financial condition or results of operations including but not limited to, delaying the introduction of new games, features or events, interrupting live services, impairing its control environment, delaying introduction of new technology, impacting its ability to react nimbly to game or technology issues, or impacting employee retention and morale.

The Company's business and growth may suffer if it fails to attract, retain and motivate key personnel.

The Company's ability to compete and grow depends in large part on the efforts and talents of its employees and executives. Its success depends in a large part upon the continued service of its senior management team. The Company's management team is critical to the Company's vision, strategic direction, culture, products and technology, and the continued retention of its entire senior management team is important to the success of its operating plan. The loss of any member of its senior management team could cause disruption and harm the business, financial condition, results of operations or reputation of the Company.

In addition, the Company's ability to execute its strategy depends on its continued ability to identify, hire, develop, motivate and retain highly skilled employees, particularly in the competitive fields of game and feature design, product management and engineering. These employees are in high demand, and the Company devotes significant resources to identifying, recruiting, hiring, training, successfully integrating and retaining them. Any significant turnover in the Company's headcount may place significant demands on its management and its operational, financial and technological infrastructure.

As the Company operates as a public company, volatility of its stock price, changes in its compensation structure for its executive officers that significantly relies on performance linked stock awards, and any headcount reductions may make it more difficult for the Company to attract and retain top talent. In particular, should the Company's stock price decline it might be difficult for it to attract and retain qualified personnel, since individuals may elect to seek employment with other companies that they believe have better long-term prospects or that present better opportunities for earning equity-based compensation. If the Company is unable to identify, hire and retain its senior management team and its key employees, the Company's business, financial condition or results of operations could be harmed. Moreover, if the Company's team fails to work together effectively to execute its plans and strategies on a timely basis, the Company's business, financial condition or results of operations could be harmed.

The Company may hire a number of key personnel through acquisitions, and as competition with other game companies for attractive target companies with a skilled employee base persists and increases, the Company may incur significant expenses and difficulty in continuing this practice. In addition, volatility in the Company's operating results and the trading price of its common stock may negatively impact its perceived reputation and make it more difficult and more expensive to successfully retain employees through acquisitions. The loss of talented employees with experience in the assets it acquires could result in significant disruptions to the

POPREACH CORPORATION (formerly Federated Foundry Limited)
Management's Discussion and Analysis
(expressed in thousands of United States Dollars, except share and per share amounts)
For the three and twelve months ended September 30, 2022

Company's business and the integration of acquired assets and businesses. If it does not succeed in recruiting, retaining, and motivating these key employees, the Company may not achieve the anticipated results of acquisitions.

The Company's core values of focusing on its customers and acting for the long-term may conflict with the short-term expectations of analysts.

The Company believes that exceeding its customers' expectations is essential to its success and serves the best, long-term interests of the Company and its shareholders. Therefore, the Company may make in the future, significant investments or changes in strategy that it thinks will benefit the Company in the long-term, even if its decision has the potential to negatively impact its operating results in the short term. In addition, the Company's decisions may not result in the long-term benefits that it expects, in which case the success of its business, financial condition or results of operations could be harmed.

If the use of mobile devices as game platforms and the proliferation of mobile devices generally do not increase, the Company's business could be adversely affected.

The number of people using mobile Internet-enabled devices has increased dramatically over time and the Company expects that this trend will continue. However, the mobile market, particularly the market for mobile games, may not grow in the way it anticipates. The Company's future success is substantially dependent upon the continued growth of the market for mobile games. The proliferation of mobile devices may not continue to develop at historical rates and consumers may not continue to use mobile Internet-enabled devices as a platform for games. In addition, the Company does not currently offer its games on all mobile devices. If the mobile devices on which its games are available decline in popularity or become obsolete faster than anticipated, the Company could experience a decline in bookings and revenue and may not achieve the anticipated return on its development efforts. Any such declines in the growth of the mobile market or in the use of mobile devices for games could harm the Company's business, financial condition or results of operations.

If the Company fails to deliver its games at the same time as new mobile devices are commercially introduced, its revenue may suffer.

The Company's business depends, in part, on the commercial introduction of new mobile devices with enhanced features, including larger, higher resolution color screens, improved audio quality, and greater processing power, memory, battery life and storage. For example, the introduction of new and more powerful versions of Apple's iPhone and iPad and devices based on Google's Android operating system, have helped drive the growth of the mobile games market. In addition, consumers generally purchase the majority of content, such as its games, for a new device within a few months of purchasing it. The Company does not control the timing of these device launches. The mobile games market could also be disrupted by new technologies, such as the introduction of next generation virtual reality devices. Some manufacturers give the Company access to their new devices prior to commercial release. If one or more major manufacturers were to stop providing the Company access to new device models prior to commercial release, the Company might be unable to operate and introduce games and features that are compatible with the new device when the device is first commercially released, and the Company might be unable to acquire, publish or operate compatible games for a substantial period following the device release. If the Company does not adequately build into its title plan the demand for games for a particular mobile device or experiences game and feature availability delays, it misses the opportunity to publish and operate games when new mobile devices are shipped or its end users upgrade to a new mobile device, the Company's revenue would likely decline and its business, operating results and financial condition would likely suffer.

The Company's ability to acquire and maintain licenses to intellectual property may affect its revenue and profitability. Competition for these licenses may make them more expensive and increase the Company's costs.

Competition for proprietary licenses is intense, and may result in increased advances, minimum payment guarantees and royalties that the Company must pay to the licensor. If the Company is unable to obtain and remain in compliance with the terms of these licenses or obtain additional licenses on reasonable economic terms, its revenue and profitability may be adversely impacted. In addition, use of these intellectual properties may require that it pay a royalty to the licensor, which decreases its profitability. If the mix of player purchases shifts towards games in which the Company uses licensed intellectual properties increases, its overall margins may be reduced.

In addition, many of the Company's games are built on proprietary source code of third parties. If the Company is unable to renew licenses to proprietary source code underlying its games, or the terms and conditions of these licenses change at the time of renewal its business, financial condition or results of operations could be negatively impacted. If a third party from whom the Company licenses source code discontinues support for one or more of these platforms, the Company's business, financial condition or results of operations could be negatively impacted.

Failure to protect or enforce the Company's intellectual property rights or the costs involved in such enforcement could harm the Company's business, financial condition or results of operations.

The Company regards the protection of its trade secrets, copyrights, trademarks, service marks, trade dress, domain names, patents, and other product rights as critical to its success. The Company strives to protect its intellectual property rights by relying on federal,

POPREACH CORPORATION (formerly Federated Foundry Limited)
Management's Discussion and Analysis
(expressed in thousands of United States Dollars, except share and per share amounts)
For the three and twelve months ended September 30, 2022

provincial and common law rights, as well as contractual restrictions and business practices. The Company enters into confidentiality and invention assignment agreements with its employees and contractors and confidentiality agreements with parties with whom it conducts business in order to limit access to, and disclosure and use of, its proprietary information. However, these contractual arrangements and business practices may not prevent the misappropriation of the Company's proprietary information or deter independent development of similar technologies by others. Further, in some instances the Company may be required to obtain licenses to intellectual property in lieu of ownership. Such licenses may be limited in scope and require the Company to renegotiate on a frequent basis for additional use rights. Moreover, to the extent that the Company may only have a license to any intellectual property used in any of its games, there may be no guarantee of continued access to such intellectual property, including on commercially reasonable terms.

The Company pursues the registration of its copyrights, trademarks, service marks, domain names, and patents in Canada and in certain locations outside Canada. This process can be expensive and time-consuming, may not always be successful depending on local laws or other circumstances, and the Company also may choose not to pursue registrations in every location depending on the nature of the project to which the intellectual property rights pertain. The Company may, over time, increase its investments in protecting its creative works and innovations through patent filings that are expensive and time-consuming and may not result in issued patents that can be effectively enforced.

Despite such efforts to protect intellectual property rights, unauthorized parties may attempt to copy or otherwise to obtain and use technology and games used or offered by the Company. For example, some companies have released games that are very similar to other successful games in an effort to confuse the market and divert players from their competitor's games to their copycat games. To the extent that these tactics are employed with respect to any of the games offered the Company, it could reduce the revenue that the Company generates from such games. Monitoring unauthorized use of the games is difficult and costly, and the Company cannot be certain that the steps it has taken in the past or the future will prevent piracy and other unauthorized distribution and use of the technology and applications or games used or offered by the Company. To the extent the Company expands its activities worldwide, exposure to unauthorized copying and use of its games and proprietary information may increase. In the future, litigation may be necessary to enforce intellectual property rights, protect trade secrets to determine the validity and scope of proprietary rights claimed by others or to defend against claims of infringement or invalidity. Any litigation of this nature, regardless of outcome or merit, could result in substantial costs, adverse publicity or diversion of management and technical resources, any of which could adversely affect the Company's business and operating results. If the Company fails to maintain, protect and enhance its intellectual property rights, its business and operating results may be harmed.

There can be no assurance that the Company's means of protecting its proprietary rights will be adequate or that its competitors will not independently develop similar technology or games. Furthermore, the Company's efforts to enforce its intellectual property rights may be met with defenses, counterclaims and countersuits attacking the validity and enforceability of its intellectual property rights. These steps may be inadequate to protect its intellectual property. The Company will not be able to protect its intellectual property if it is unable to enforce its rights or if it does not detect unauthorized use of its intellectual property.

The Company may be subject to intellectual property disputes, which are costly to defend and could require the Company to pay significant damages and could limit its ability to use certain technologies in the future.

From time to time, the Company may face allegations that it has infringed the trademarks, copyrights, patents and other intellectual property rights of third parties, including from its competitors, non-practicing entities and former employers of its personnel. Intellectual property litigation may be protracted and expensive, and the results are difficult to predict. As the Company faces increasing competition and as litigation becomes a more common way to resolve disputes, the Company faces a higher risk of being the subject of intellectual property infringement claims. The Company cannot make any assurances that it will not become, in the future, subject to claims that it has misappropriated or misused other parties' intellectual property rights. If the Company is sued by a third-party that claims that the Company's technology infringes its rights, the litigation (with or without merit) could be expensive and could divert management resources.

As the result of any court judgment or settlement, the Company may be obligated to do one or more of the following:

- cease making, selling, offering for sale or using technologies that incorporate the challenged intellectual property;
- make substantial payments for legal fees, settlement payments or other costs or damages;
- obtain a license, which may not be available on reasonable terms, to sell or use the relevant technology; or
- redesign technology to avoid infringement.

POPREACH CORPORATION (formerly Federated Foundry Limited)
Management's Discussion and Analysis
(expressed in thousands of United States Dollars, except share and per share amounts)
For the three and twelve months ended September 30, 2022

If the Company is required to make substantial payments or undertake any of the other actions noted above as a result of any intellectual property infringement claims against the Company, such payments or costs could have a material adverse effect upon the Company's business and financial results.

In addition, the Company uses open-source software in its business and expect to continue to use open-source software in the future. From time to time, the Company may face claims from companies that incorporate open source software into their products, claiming ownership of, or demanding release of, the source code, the open source software and/or derivative works that were developed using such software, or otherwise seeking to enforce the terms of the applicable open source license. These claims could also result in litigation, require the Company to purchase a costly license or require the Company to devote additional research and development resources to change its games, any of which would have a negative effect on the Company's business, financial condition or results of operations.

The Company may be involved in legal proceedings that may result in adverse outcomes.

The Company may be involved in claims, suits, government investigations, and proceedings arising in the ordinary course of its business, including actions with respect to intellectual property claims, privacy, data protection or law enforcement matters, tax matters, labor and employment claims, commercial and acquisition-related claims, as well as shareholder derivative actions, class action lawsuits, and other matters. Such claims, suits, government investigations, and proceedings are inherently uncertain and their results cannot be predicted with certainty. Regardless of their outcomes, such legal proceedings can have an adverse impact on the Company because of legal costs, diversion of management and other personnel, and other factors. In addition, it is possible that a resolution of one or more such proceedings could result in liability, penalties, or sanctions, as well as judgments, consent decrees, or orders preventing the Company from offering certain features, functionalities, products, or services, or requiring a change in its business practices, products or technologies, which could in the future materially and adversely affect the Company's business, financial condition or results of operations.

The Company's business is subject to a variety of Canadian, United States and foreign laws, many of which are unsettled and still developing and which could subject the Company to claims or otherwise harm its business.

The Company is subject to a variety of laws in different jurisdictions that affect its business, including provincial, state and federal laws regarding consumer protection, electronic marketing, protection of minors, data protection, competition, taxation, intellectual property, export and national security, that are continuously evolving and developing. The scope and interpretation of the laws that are or may be applicable to the Company are often uncertain and may be conflicting, particularly laws outside Canada and the United States. There is a risk that these laws may be interpreted in a manner that is not consistent with the Company's current practices, and could have an adverse effect on the Company's business. It is also likely that as the Company's business grows and evolves and its offerings are made available in a greater number of countries, it will become subject to laws and regulations in additional jurisdictions or other jurisdictions may claim that it is required to comply with their laws and regulations. This may require the Company to expend substantial resources or to modify its products or services, which would harm its business, financial condition and results of operations. In addition, the increased attention focused upon liability issues as a result of lawsuits and legislative proposals could harm the Company's reputation or otherwise impact the growth of its business. Any costs incurred as a result of this potential liability could harm the Company's business and operating results.

If the Company is not able to comply with new or existing laws or regulations or if it becomes liable under these laws or regulations, the Company could be directly harmed, and it may be forced to implement new measures to reduce its exposure to this liability. This may require the Company to expend substantial resources or to modify its products or services, which would harm its business, financial condition and results of operations. In addition, the increased attention focused upon liability issues as a result of lawsuits and legislative proposals could harm the Company's reputation or otherwise impact the growth of its business. Any costs incurred as a result of this potential liability could harm the Company's business, financial condition or results of operations.

The Company's international operations are subject to increased challenges and risks.

The Company has entered into several international markets and expects to enter into additional markets in the future. The Company's ability to expand its business in additional international markets will require considerable management attention and resources and is subject to the particular challenges of supporting a rapidly growing business in an environment of multiple languages, cultures, customs, legal systems, alternative dispute systems, regulatory systems and commercial infrastructures. Expanding its international focus may subject the Company to risks that it has not faced before or increase risks that it currently faces, including risks associated with: burdens of complying with a variety of foreign laws in multiple jurisdictions;

- burdens of complying with a variety of foreign laws in multiple jurisdictions;
- potential damage to its brand and reputation due to compliance with local laws;
- recruiting and retaining talented and capable management and employees in foreign countries;

POPREACH CORPORATION (formerly Federated Foundry Limited)
Management's Discussion and Analysis
(expressed in thousands of United States Dollars, except share and per share amounts)
For the three and twelve months ended September 30, 2022

- recruiting and working through local partners;
- challenges caused by distance, language and cultural differences;
- acquiring, consolidating, operating, publishing, enhancing and customizing its platform and other offerings that appeal to the tastes and preferences of customers in international markets;
- new and different sources of competition;
- utilizing, protecting, defending and enforcing its intellectual property rights;
- negotiating agreements with local distribution platforms that are sufficiently economically beneficial to the Company and protective of its rights;
- the inability to extend proprietary rights in its brand, content or technology into new jurisdictions;
- compliance with applicable foreign laws and regulations, including privacy laws and laws relating to content and consumer protection (for example, the United Kingdom's Office of Fair Trading's 2014 principles relating to in-app purchases in FTP games that are directed toward children 16 and under);
- compliance with anti-bribery laws;
- credit risk and higher levels of payment fraud;
- currency exchange rate fluctuations;
- exposure to local banking, currency control and other financial-related risks;
- protectionist laws and business practices that favor local businesses in some countries;
- double taxation of its international earnings and potentially adverse tax consequences due to changes in the tax laws of the jurisdictions in which the Company operates;
- political, economic and social instability;
- natural disasters, including earthquakes, tsunamis and floods;
- inadequate local infrastructure;
- higher costs associated with doing business internationally;
- export or import regulations; and
- trade and tariff restrictions.

If the Company is unable to manage the complexity of its global operations successfully, its business, financial condition and operating results could be adversely affected. Additionally, the Company's ability to successfully gain market acceptance in any particular market is uncertain, and the distraction of its senior management team could harm the Company's business, financial condition or results of operations.

Changes in foreign exchange rates and limitations on the convertibility of foreign currencies could adversely affect the Company's business and operating results.

The Company currently transacts business in several countries and in different currencies. Conducting business in different currencies subjects the Company to fluctuations in currency exchange rates that could have a negative impact on its reported operating results. To date, the Company has not engaged in exchange rate hedging activities, and it does not expect to do so in the foreseeable future.

Companies and governmental agencies may restrict access to platforms, the Company's website, mobile applications or the Internet generally, which could lead to the loss or slower growth of the Company's player base.

The Company's players generally need to access the Internet and in particular platforms such as Facebook, Apple, Google and the Company's website to play its games. Companies and governmental agencies could block access to Facebook, the Company's website, mobile applications or the Internet generally for a number of reasons such as security or confidentiality concerns or regulatory reasons, or they may adopt policies that prohibit employees from accessing Facebook, Apple, Google and the Company's website or other social platforms. If companies or governmental entities block or limit such or otherwise adopt policies restricting players from playing the Company's games, its business could be negatively impacted and could lead to the loss or slower growth of its player base.

POPREACH CORPORATION (formerly Federated Foundry Limited)
Management's Discussion and Analysis
(expressed in thousands of United States Dollars, except share and per share amounts)
For the three and twelve months ended September 30, 2022

The delivery of the Company's products and services and a portion of the Company's revenues are dependent on the continued use and expansion of third-party-owned communication networks, including wireless networks and the Internet.

No assurance can be given of the continued use and expansion of these networks as a medium of communications for the Company.

Effective delivery of the Company's products and services through the Internet is dependent on Internet service providers continuing to expand high-speed Internet access, maintaining reliable networks with the necessary speeds, data capacity and security, and developing complementary products and services for providing reliable and timely access and services. Changes in access fees (for example, revising the application of bandwidth caps or other metered usage schemes) to users may adversely affect the ability or willingness of users to access the Company's products and services. Changes in access fees to distributors, such as the Company or its service providers, or a departure from "net neutrality" (the principle that all forms of Internet traffic (including video, voice, and text) are subject to equal treatment in transmission speed and quality) or its governing regulations could result in increased costs to the Company. All of these factors are out of the Company's control and the manifestation of any of them could ultimately have a material adverse effect on the Company's prospects, business, financial condition or results of operations.

In addition, increasing traffic, user numbers or bandwidth requirements may result in a decline in Internet (or a subset thereof, including in particular mobile Internet) performance and/or Internet reliability. Internet outages or delays or loss of network connectivity may result in partial or total failure of the Company's services, additional and unexpected expenses to fund further product development or to add programming personnel to complete a development project, loss of revenue because of the inability of customers use the Company's products or services, or the cancellation by customers of their service with the Company, any of which could have a material adverse effect on the Company's prospects, business, financial condition or results of operations.

Changes in the tax treatment of companies engaged in Internet commerce may adversely affect the commercial use of the Company's services and its financial results.

Due to the global nature of the Internet, it is possible that various countries might attempt to regulate transmissions or levy sales, income, consumption, use or other taxes relating to its activities, or impose obligations on the Company to collect such taxes. Tax authorities in various jurisdictions are reviewing the appropriate treatment of companies engaged in Internet commerce such as the sale of virtual items and the provision of online services. The imposition of new or revised tax laws or regulations may subject the Company or the players of its applications or games to additional sales, income, consumption, use or other taxes. The Company cannot predict the effect of current attempts to impose such taxes on commerce over the Internet. New or revised taxes and, in particular, sales, use or consumption taxes, the Value Added Tax and similar taxes would likely increase the cost of doing business online and decrease the attractiveness of selling virtual items over the Internet. New taxes could also create significant increases in internal costs necessary to capture data and collect and remit taxes. Any of these events could have an adverse effect on the business and results of operations of the Company.

The Company may have exposure to greater than anticipated tax liabilities.

The Company's income tax obligations are based in part on its corporate operating structure and intercompany arrangements, including the manner in which the Company develops, values, manages, and uses its intellectual property and the valuation of its intercompany transactions. The tax laws applicable to its business, including the laws of Canada and other jurisdictions, are subject to interpretation and certain jurisdictions are aggressively interpreting their laws in new ways in an effort to raise additional tax revenue. The Company's existing corporate structure and intercompany arrangements have been implemented in a manner that the Company believes is in compliance with current prevailing tax laws. However, the taxing authorities of the jurisdictions in which the Company operate may challenge its methodologies for valuing developed technology or intercompany arrangements, which could impact the Company's worldwide effective tax rate and harm its financial position and results of operations. In addition, changes to the Company's corporate structure and intercompany agreements, including through acquisitions, could impact its worldwide effective tax rate and harm its financial position and results of operation.

The Company must charge, collect and/or pay taxes other than income taxes, such as payroll, value-added, sales and use, net worth, property and goods and services taxes, in both Canadian and foreign jurisdictions. If tax authorities assert that the Company has a taxable nexus in a jurisdiction, they may seek to impose past as well as future tax liability and/or penalties. Any such impositions could also cause significant administrative burdens and decrease the Company's future sales.

The Company may require additional capital to meet its financial obligations and support business growth, and this capital might not be available on acceptable terms or at all.

The Company intends to make significant investments to support its business growth and may require additional funds to respond to business challenges. Accordingly, the Company may need to engage in equity or debt financings to secure additional funds. If the Company raises additional funds through future issuances of equity or convertible debt securities, its existing shareholders could suffer significant dilution, and any new equity securities the Company issues could have rights, preferences and privileges superior to those of holders of its common shares. Any debt financing that the Company secures in the future could involve restrictive covenants relating to

POPREACH CORPORATION (formerly Federated Foundry Limited)
Management's Discussion and Analysis
(expressed in thousands of United States Dollars, except share and per share amounts)
For the three and twelve months ended September 30, 2022

its capital raising activities and other financial and operational matters, which may make it more difficult for the Company to obtain additional capital and to pursue business opportunities, including potential acquisitions. The Company may not be able to obtain additional financing on terms favorable to it, if at all. If the Company is unable to obtain adequate financing or financing on terms satisfactory to the Company when the Company requires it, the Company's ability to support its business growth and to respond to business challenges could be significantly impaired, and the Company's business, financial condition or results of operations may be harmed.

If securities or industry analysts do not publish research about the Company's business, or publish negative or misinformed reports about the Company's business, its share price and trading volume could decline and/or become more volatile.

The trading market for the Company's common stock will be affected by the research and reports that securities or industry analysts publish about its business. The Company does not have any control over these analysts. If one or more of the analysts who cover the Company downgrade its shares or lower their opinion of its shares, the Company's share price would likely decline. If one or more of these analysts cease coverage of the Company or fail to regularly publish reports on the Company, it could lose visibility in the financial markets, which in turn could cause its share price or trading volume to decline. In addition, the Company's share price and the volatility of its shares can be affected by misinformed or mistaken research reports on its business.

Novel Coronavirus ("COVID-19") and the potential global outbreak of a contagious disease.

The Company's operations could be significantly adversely affected by the effects of a widespread global outbreak of a contagious disease, including the recent outbreak of respiratory illness caused by COVID-19. The Company cannot accurately predict the impact COVID-19 will have on its operations and the ability of others to meet their obligations with the Company, including uncertainties relating to the ultimate geographic spread of the virus, the severity of the disease, the duration of the outbreak, and the length of travel and quarantine restrictions imposed by governments of affected countries. Depending on the duration and severity of the current COVID-19 pandemic, it may also have the effect of heightening many of the other risks described herein and in any other disclosure documents of the Company including, but not limited to, those risks relating to the successful completion of growth and expansion projects, the ability to obtain any required regulatory approvals in the future, the ability to raise additional capital to meet financial obligations and support business growth, the ability to service obligations under any debt securities and other debt obligations; and complying with the covenants contained in the agreements that govern indebtedness.

The outbreak of COVID-19 may cause also disruptions to the Company's business and operational plans. These disruptions may include disruptions resulting from (i) shortages of employees, (ii) restrictions that governments impose to address the COVID-19 outbreak, and (iii) restrictions that the Company impose to ensure the safety of employees and others. Further, it is presently not possible to predict the extent or durations of these disruptions. These disruptions may have a material adverse effect on the Company's business, financial condition and results of operations.

In addition, the COVID-19 pandemic has created a dramatic slowdown in the global economy. The duration of the COVID-19 outbreak and the resultant travel restrictions, physical distancing, government response actions, business closures and business disruptions, can all have an impact on the Company's operations and access to capital.

Risks Related to Our Common Shares

The price of our common shares may be volatile and may decline regardless of our operating performance.

The price of our common shares has fluctuated in the past and we expect it to fluctuate in the future, and it may decline. The trading prices of gaming companies' securities may be highly volatile. The market price of our common shares may fluctuate significantly in response to numerous factors, many of which are beyond our control, including, among others:

- actual or anticipated fluctuations in our revenue and other results of operations, including as a result of the addition or loss of any number of customers;
- announcements by us or our competitors of significant technical innovations, acquisitions, strategic partnerships, joint ventures, or capital commitments;
- the financial projections we may provide to the public, any changes in these projections, or our failure to meet these projections;
- failure of securities analysts to initiate or maintain coverage of us, changes in ratings and financial estimates and the publication of other news by any securities analysts who follow the Company, or our failure to meet these estimates or the expectations of investors;
- changes in operating performance and stock market valuations of other technology companies, or those in our industry in particular;

POPREACH CORPORATION (formerly Federated Foundry Limited)
Management's Discussion and Analysis
(expressed in thousands of United States Dollars, except share and per share amounts)
For the three and twelve months ended September 30, 2022

- the size of our public float;
- price and volume fluctuations in the trading of our common shares and in the overall stock market, including as a result of trends in the economy as a whole;
- new laws or regulations or new interpretations of existing laws or regulations applicable to our business or industry, including data privacy, data protection, and information security;
- lawsuits threatened or filed against us for claims relating to intellectual property, employment issues, or otherwise;
- changes in our board of directors or management;
- short sales, hedging, and other derivative transactions involving our common shares;
- sales of large blocks of our common shares including sales by our executive officers, directors, and significant shareholders; and
- other events or factors, including changes in general economic, industry, and market conditions, and trends, as well as any natural disasters, which may affect our operations.

Share price volatility and limited market for securities

Our common shares are listed on the TSXV. However, in recent years, the securities markets in Canada have experienced a high level of price and volume volatility, and the market prices of securities of many companies have experienced wide fluctuations in price which have not necessarily been related to the operating performance, underlying asset values or prospects of such companies. There can be no assurance that continuing fluctuations in price will not occur. It may be anticipated that any quoted market for our common shares will be subject to market trends generally, notwithstanding the Company's potential success in creating revenues, cash flows or earnings. The value of our common shares will be affected by such volatility. An active public market for our common shares might not develop or be sustained. If an active public market for our common shares does not develop, the liquidity of a shareholder's investment may be limited and the share price may decline.

In addition, the stock markets have experienced price and volume fluctuations that have affected and continue to affect the market prices of equity securities of many gaming companies. Share prices of many gaming companies have fluctuated in a manner unrelated or disproportionate to the operating performance of those companies. If we were to become involved in securities litigation, it could subject us to substantial costs, divert resources and the attention of management, and harm our business.

Future sales of common shares by existing shareholders could cause the price of our common shares to decline.

Sales of a substantial number of our common shares by our existing shareholders in the public market could occur at any time. If our shareholders sell, or the market perceives that our shareholders intend to sell, substantial amounts of our common shares in the public market, the market price of our common shares could decline. The magnitude of this risk will be inversely proportional to the size of the public float.

If securities or industry analysts do not publish research or reports about our business, or if they downgrade our common shares, the price of our common shares could decline.

The trading market for our common shares depends, in part, on the research and reports that securities or industry analysts publish about us or our business. We do not have any control over these analysts. If one or more of the analysts who cover us downgrade our stock or publish inaccurate or unfavorable research about our business, the price of our common shares would likely decline. In addition, if our results of operations fail to meet the forecast of analysts, the price of our common shares would likely decline. If one or more of these analysts cease coverage of our company or fail to publish reports on us regularly, demand for our common shares could decrease, which might cause the price and trading volume of our common shares to decline.

Our issuance of additional common shares in connection with financings, acquisitions, investments, our equity incentive plans, or otherwise will dilute all other shareholders.

We expect to issue additional common shares in the future that will result in dilution to all other shareholders. We expect to grant equity awards to employees, directors, and consultants under our equity incentive plans. As part of our business strategy, we may acquire or make investments in complementary companies, products, or technologies, and issue equity securities to pay for any such acquisition or investment. Any such issuances of additional common shares may cause shareholders to experience significant dilution of their ownership interests and the per share value of our common shares to decline.

We may also raise capital through equity financings in the future. Any additional capital raised through the sale of equity may dilute existing shareholders' percentage ownership of our common shares and shareholders could be asked in the future to approve the creation

POPREACH CORPORATION (formerly Federated Foundry Limited)
Management's Discussion and Analysis
(expressed in thousands of United States Dollars, except share and per share amounts)
For the three and twelve months ended September 30, 2022

of new equity securities which could have rights, preferences and privileges superior to those of holders of our common shares. Capital raised through debt financing would require us to make periodic interest payments and may impose restrictive covenants on the conduct of our business. Furthermore, additional financings may not be available on terms favourable to us, or at all. A failure to obtain additional funding could prevent us from making expenditures that may be required to implement our growth strategy and grow or maintain our operations.

We do not currently intend to pay dividends for the foreseeable future.

We generally do not intend to pay dividends to the holders of our common shares for the foreseeable future. Our ability to pay dividends on our common shares is limited by our existing indebtedness, and may be further restricted by the terms of any future debt incurred or preferred securities issued by us or our subsidiaries or law. Payments of future dividends, if any, will be at the discretion of our board of directors after taking into account various factors, including our business, financial condition, and results of operations, current and anticipated cash needs, plans for expansion and any legal or contractual limitation on our ability to pay dividends. As a result, any capital appreciation in the price of our common shares may be your only source of gain on your investment in our common shares. Dividends paid by the Company would be subject to tax and, potentially, withholdings.

Shareholders have limited control over our Company's operations.

Shareholders have limited control over changes in our policies and operations, which increases the uncertainty and risks of an investment in our Company. The board of directors (the "Board") determines major policies, including policies regarding financing, growth, debt capitalization and any future dividends to shareholders. Generally, the Board may amend or revise these and other policies without a vote of the shareholders. The Board's broad discretion in setting policies and the limited ability of shareholders to exert control over those policies increases the uncertainty and risks of an investment in our Company.

ADDITIONAL INFORMATION

Additional information relating to the Company, including the Company's AIF, is posted on SEDAR at www.sedar.com. The Company's common shares are listed on the TSX Venture Exchange as a Tier I issuer under the symbol "POPR", with shares also trading on OTCQX® Best Market.