

7 June 2022

CHAIRMAN'S LETTER

Q2 2022

Exactly two weeks after my last letter to you, Vladimir Vladimirovich Putin decided to launch his 'special military operation' inside the sovereign territory of the Ukraine and we woke up to a very altered world, not only in terms of world security but also food security. Logistics chains are disrupted. Manufacturing capabilities are stunted. High oil prices are causing consumer pain at the pump and beyond. Inflationary headwinds are driving rising interest rates, tightening monetary policies and depressing stock market share prices, especially in the big tech sector. We now live in very different times. The persistent presence of Covid continues to affect all of us, whether through personal circumstance or the impact of China's contracting economy. While I am not an expert on global affairs (leave that to the talking heads) or economic affairs (leave that to the bean counters), I believe that conditions are unlikely to change in the near term and likely to get worse in the medium term. A sobering sanity is returning to markets drunk on fast and loose money. Against this bleak prognosis, Abner Labs continues to fire on all cylinders. Highlights of our key accomplishments in this past quarter include:

- Appointed Lemay.ai as our artificial intelligence ('AI') partner to enable us to scale our **ibetmobile** white label live sports watching and wagering platform.
- Appointed Skins Agency as our UI/UX partner to complete the design and development of our user app, client app and admin app for **ibetmobile**.
- Completed preliminary testing of the latency (almost none) of our live data processing.
- Identified the preferred authority to regulate our activities.
- Identified the preferred jurisdiction to host our server operations.
- Commenced the trademark process for key pieces of our intellectual property.
- Continued to raise funds in our pre-listing private placement despite challenging macro-market conditions.

The Company remains in sound financial health. We have a low burn rate and significant cash reserves. Notwithstanding our fiscal fortitude, we continue to be prudent with deployment of your funds at all times. Management and directors work for a small honorarium. Our partners are engaged on cost effective terms in advance of our anticipated realization of revenues from **ibetmobile**. We are all working tirelessly to commercialize **ibetmobile** at the earliest opportunity on the most fiscally efficient basis.

One of the questions that I am most frequently asked is "When are we going to list?" Some shareholders are impatient for us to list. Some shareholders tell us that we would be insane to list in down market conditions, especially when many public tech companies are being bought out and taken private at much lower valuations than realized on listing.

We do not fear listing in these conditions. We have an incredible product, an incredible team and operate in an exciting and rapidly growing market segment driven by strong fundamentals (rather than sentiment). We are an exciting story. It may be easier for us to shine among the dim lights of a bear market than shout for attention among the bright lights of a bull market.

There are disadvantages to listing in a down market. We could appoint Warren Buffett to our Board of Directors and it may not move our share price. Compliance costs are higher for public companies. Investors tightly holding onto cash need more reassurance.

So here is the short answer to the question: we do not fear listing in these markets and will evaluate the timing once we have completed the final round of our private placement. Good decisions are made on good information. We will consult with our shareholders, partners, management, brokers and other stakeholders. We will weigh all economic, financial, technical and corporate factors and determine the best time to become a public company.

We remain in a unique market position. **ibetmobile** is a compelling live sports viewing and betting platform that should make money for sportsbooks. Equally important, **ibetmobile** is a compelling client acquisition channel for sportsbooks whose share prices are being battered by concerns over growing customer acquisition costs. **ibetmobile** can make them money and also be a big solution to that capital market criticism. Indeed, we are seeing more and more interest from market players in our offering. This is exciting for our team. It should be exciting for potential investors and I hope that it is exciting for you, too.

When I was 12 years old, a Great Uncle hand-stamped a poem for me on a copper plate as a confirmation present. It was the oft-recited poem "If" by Rudyard Kipling which advised us to "keep you head when all about you are losing theirs" and learn to "wait and not be tired by the waiting" to be successful. Perhaps it is that kind of level-headedness and patience that Warren Buffett would preach to us if he did join our Board of Directors. Amidst the current global upheaval, we are disciples of that advice. We are keeping our heads down and continuing on our journey with patience, persistence, perseverance, passion and the purpose of releasing our market-disrupting **ibetmobile** platform that will create value for our clients, our shareholders and users of our technology.

Thank you again for your continued support of Abner Labs. It is much appreciated and never taken for granted. Our door is always open, please feel free to reach out at any time.

Best

David