

31 March 2022

## CHAIRMAN'S LETTER

### Q1 2023

"Gradually, then suddenly." Hemingway's famous quote from *The Sun Also Rises* perfectly captures the pace of affairs at Abner Labs for Q1 2023. While we are making gradual progress on technical, funding and commercial fronts, we are confident that several milestones are within reach that may suddenly accelerate things.

On the technical front, we continue to invest in integration of data and video streams licensed through our partnership with Genius Sports Media Inc., particularly for the NFL. We are making steady progress in analyzing and processing historical data from Genius. However, data is fast becoming a commodity widely available (at a price) in our industry. We have acquired additional data from other providers to expand the breadth and depth of information available for our key sports, including the NFL. We are engaged with other companies to acquire further data and streams. Expansion of our data universe enables our AI brain (affectionally called 'Big AI' after Albert Einstein) to deliver even larger ranges of individual questions to individual users. To account for this reality, we grew Big AI's brain capacity by completing a significant expansion of our dedicated server storage space.

Unlike data, streaming is a fragmented market that confounds everyone working on 'watch and wager' platforms from both commercial and technical perspectives. We believe that we have solved the streaming conundrum. Four internal streaming switches allow players to use **BeTheGame™** with our own streams, client streams, broadcast feeds and, as a last resort, without streams. Based on feedback from industry sources, we believe our technology is ahead of the market in the streaming arena.

Our financial risk management module (the 'FiRM') likely solves a lot of problems for sportsbooks and other companies. Based on feedback from industry sources, we believe our technology is ahead of the market in the revenue and risk management arena with further potential applications in financial services and logistics markets, among others.

Overall, key competitive advantages of **BeTheGame™** can be summarized as follows: our AI generates simple questions allowing for immediate gut-based betting on next play outcomes without odds; our integrated 'watch and wager' experience solves the streaming puzzle; and our financial risk management module manages for a predictable GGY and mitigates volatility and integrity risks in real time. We are not aware of any other company with these competitive advantages.

On the funding front, we launched a CAD 3.5M pre-IPO private placement in Q1 2023 to secure enough funds to implement the final pieces of the platform, finalize the last two apps (client app and administration app), conduct sandbox testing, acquire additional data and video streams and cover regulatory licensing costs. The balance of funds includes a healthy reserve for the first year of working capital costs after commercial launch.

Despite the most challenging capital market conditions since the 2008 financial crisis, we have received a warm welcome from high net worth individuals ('HNWI') and family offices. We are blessed that **BeTheGame™** unites three massive trends that continue to attract investor interest: generative AI (personalized experience); gamification (similar to playing a video game); and sports betting (particularly next play micro-betting). Often I describe our technology as a 'reverse GPT' – instead of being asked questions and generating an essay, we take an essay about sports (data) and distill it down into questions without any odds.

As part of our pre-IPO private placement, we have engaged in some corporate discussions. We will continue to interact with parties with interest in our company. I am guided in these discussions by two simple principles: ensuring that **BeTheGame™** is launched into the market as quickly as possible and ensuring that we achieve maximum value for our shareholders. There are lots of ways that could happen. Depending on the type of corporate interest or investment by an anchor investor with other ideas, it remains our intention to list on a stock exchange once we have completed the private placement. We are fortunate that the timing of any listing may coincide with milestones such as the launch of **BeTheGame™**, negotiation of our first client contract and hopefully the posting of positive EBITDA results thereafter.

On the commercial front, we have engaged with sportsbooks and other market players. These constituencies remain impressed by our technology and keen to explore partnerships once **BeTheGame™** is available for commercial launch. We represent an innovative 'watch and wager' platform that complements their existing offerings. We also represent an exceptional customer acquisition platform that solves probably their biggest capital market criticism by giving them a low cost opportunity to retain existing players and attract new players, particularly social sports fans who are the holy grail of their marketing efforts. To meet sportsbook interest in the shortest possible period, we have narrowed our immediate focus to completion of the NFL module. A NFL demo of **BeTheGame™** may be released in the near future with roll out of an 'alternative season' sport thereafter.

A lot of heavy lifting is behind us. We have made significant progress in extracting historical data from Genuis Sports Media Inc. and are confident that the transfer of this data across all sports will accelerate in the coming months. We have made significant progress in finalizing our apps and are confident that they will be completed in the coming months. After internal debate and external testing, we have settled on a logo for **BeTheGame™** as found at the top of this news release. We hope that you like it as much as we do and it becomes a popular piece of real estate on sportsbooks' web sites.

We are working tirelessly every day to realize our shared vision of launching **BeTheGame™** and disrupting the sports betting market. Thank you for your continued participation in our journey. We value your support and look forward to arriving at our destination with you as soon as possible. Please don't hesitate to reach out. We work for you and we pay attention to what you have to say.

Best -  
  
David