DGTL Holdings Inc.
(formerly “Conscience Capital Inc.”)

MANAGEMENT’S DISCUSSION & ANALYSIS

FORM 51-102F1

FOR THE YEAR ENDED MAY 31, 2020

INTRODUCTION

The following management discussion and analysis (“MD&A”) of the financial condition and results of operations of DGTL Holdings Inc. (the “Company” or “DGTL”) has been prepared by management, in accordance with the requirements of National Instrument of 51-102 as of September 24, 2020 and should be read in conjunction with the audited consolidated financial statements for the year ended May 31, 2020 and the period from incorporation on June 8, 2018 to May 31, 2019 and the related notes contained therein which have been prepared under International Financial Reporting Standards (“IFRS”), and all other disclosure documents of the Company. The information contained herein is not a substitute for detailed investigation or analysis on any particular issue. The information provided in this document is not intended to be a comprehensive review of all matters and developments concerning the Company. Additional information relevant to the Company’s activities can be found on SEDAR at www.sedar.com and www.dgtlinc.com.

All financial information in this report has been prepared in accordance with IFRS and all monetary amounts referred to herein, are in Canadian dollars, unless otherwise stated.

FORWARD-LOOKING STATEMENTS

This MD&A contains "forward-looking statements". Forward-looking statements can be identified by words such as: "anticipate," "intend," "plan," "goal," "seek," "believe," "project," "estimate," "expect," "strategy," "future," "likely," "may," "should," "will" and similar references to future periods. Examples of forward-looking statements include, among others, statements regarding:

- Anticipated levels of expenditures for the next twelve months;
- Management’s belief that we have sufficient liquidity to fund the Company’s business operations during the next twelve months; and
- Strategy for customer retention, growth, product development, market position, financial results and reserves.

Forward-looking statements are neither historical facts nor assurances of future performance. Instead, they are based only on management’s current beliefs, expectations and assumptions regarding:

- the future of the Company’s business;
- the success of marketing and sales efforts of the Company;
- the projections prepared in house and market research not generally available from other sources;
- consumer interest in the services;
- future sales plans and strategies;
- anticipated events and trends; and
- the economy and other future conditions.

Because forward-looking statements relate to the future, they are subject to inherent uncertainties, risks and changes in circumstances that are difficult to predict and many of which are outside of our control. The Company’s actual results and financial condition may differ materially from those indicated in the forward-looking statements. Therefore, you should not rely on any of these forward-looking statements.

Important risk factors that could cause the Company’s actual results and financial condition to differ materially from those indicated in the forward-looking statements include, among others, the following: speculative nature of investment risk; limited operating history; going-concern risk; the Company’s reliance on third parties, including users and content providers; historical losses and negative operating cash flows; dependency on key personnel; technical errors; competition; security threats; research and development; commitments; obsolescence; growth; dilution; unissued share capital; liquidity and future financing risk; market risk for securities; and increased costs of being a publicly traded company. Actual results may vary from such forward-looking statements for a variety of reasons, including but not limited to, risks and uncertainties disclosed in this MD&A. See “Risk Factors”.

These forward-looking statements are made as of the date of this MD&A and are based on the reasonable beliefs, expectations and opinions of management on the date of this MD&A (or as of the date they are otherwise stated to be made). Although the Company has attempted to identify important factors that could cause actual results to differ materially from those contained in forward-looking statements, there may be other factors that cause results not to be as anticipated, estimated or intended. New factors emerge from time to time, and it is not possible for management to predict all of such factors and to assess in advance the impact of each such factor on the Company’s business or the extent to which any factor, or combination of factors, may cause actual results to differ materially from those contained in any forward-looking statement. There is no assurance that such forward-looking statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. We do not undertake to update or revise any forward-looking statements, except as, and to the extent required by, applicable securities laws in Canada.

Investors are cautioned against placing undue reliance on forward-looking statements.

DESCRIPTION OF BUSINESS

The Company was incorporated under the name Conscience Capital Inc. on June 8, 2018 pursuant to the Business Corporations Act of British Columbia as a Capital Pool Company as defined in the TSX Venture Exchange ("TSX-V") Policy 2.4. The Company effected a change of its corporate name to DGTL Holdings Inc. on August 4, 2020 in connection with the closing of the Company's Qualifying Transaction ("QT"). DGTL incubates innovative and disruptive digital media and advertising technology companies, powered by artificial intelligence. The Company specializes in accelerating fully commercialized enterprise level software-as-a-service companies via a blend of unique capitalization structures, including: investment, M&A, earnouts and licensing structures. The Company's shares commenced trading on the TSX-V on August 23, 2019.

The head office, principal address and registered and records office of the Company are located at 510 - 580 Hornby Street, Vancouver, BC V6C 3B6.

SIGNIFICANT EVENTS DURING THE CURRENT YEAR AND AS AT THE DATE OF THIS REPORT

During the year ended May 31, 2020, the Company completed its business combination (the "Transaction") with Hashoff, LLC ("Hashoff"), a privately held enterprise level advertising technology company, whereby the Company acquired a 100% interest in Hashoff, and its wholly owned and proprietary artificial intelligence and machine learning software technologies. The Transaction constituted the Company's QT pursuant to Policy 2.4 of the TSX-V and the Company will carry on the business of Hashoff. The Company acquired all of the issued and outstanding units of Hashoff (the "Units") through a share exchange agreement dated as of December 23, 2019 (the "Share Exchange Agreement") between the Company, Hashoff and the unitholders of Hashoff (the "Unitholders"). In exchange for the Units, the Company: (i) paid $709,550 (USD $500,000) to the former Unitholders pro rata in proportion to their holdings of Units, (ii) will make post-closing payments up to USD $1,500,000 pursuant to a deferred payment schedule and the Company achieving target revenues, and (iii) issued 8,335,794 Class A Convertible Preferred Shares (of which 2,531,106 were issued in July 2020) (the "Preferred Shares") to the Unitholders pro rata in proportion to their holdings of Units. Under the Share Exchange Agreement, the Company was required to make cash payments in lieu of Preferred Shares to those Unitholders that did not qualify as "accredited investors" under the applicable securities laws of the United States; however, the number of non-qualifying investors was reduced from that initially disclosed in the Filing Statement, and the Company therefore issued an increased number of Preferred Shares and a reduced cash payment, which totaled $42,176. The Preferred Shares (i) are non-voting; (ii) are convertible into Common Shares on a one for one basis, subject to customary adjustments; (iii) entitle the holder to an annual cumulative fixed dividend of 4%; (iv) have priority rights with respect to preference as to dividends, distributions and payments upon the liquidation, dissolution and winding up of the Company; and (v) are redeemable by the Company at a price of CAD $0.70 per share plus all declared and accrued dividends. In connection with the transaction, the Company completed a private placement of 3,771,428 subscription receipts (issued in July 2020) at a price of $0.35 per subscription receipt for gross proceeds of $1,320,000. Each subscription receipt is automatically exchangeable into common shares of the Company, on the basis of one common share for each subscription receipt, upon the occurrence of certain events, including without limitation, the Company having received all approvals of the TSX-V for the transaction.

On July 30, 2020, the TSX-V accepted for filing the Company's QT and, as a result, the Company was no longer considered as a capital pool company when the Company's common shares (the "Common Shares") resumed trading on the Exchange under the ticker symbol "DGTL" on August 4, 2020.

Hashoff was organized on June 5, 2013 as a limited liability company in the state of Delaware under the *Delaware Limited Liability Company Act*. 3. The registered and head office of Hashoff is located at 1679 S. Dupont Hwy., Suite 100, Dover, Delaware 19901, United States. Hashoff is headquartered in Denver and has an office in New York City.

Hashoff provides micro-influencer marketing for brands of all sizes and across all industries through its proprietary SaaS/CaaS platform. Hashoff's proprietary algorithms combine keywords, geography, interest, and past campaign performance to identify and activate the best micro-influencers for each brand in any given moment. By sourcing authentic influencers to create and distribute organic content on a brand's behalf, Hashoff helps brands create more meaningful relationships with consumers and drive brand engagement metrics that outperform those of traditional social media marketing.

Hashoff's SaaS platform ("#Hashoff") combines the creative benefits of influencer marketing with the scale and measurement of paid media on Facebook and Instagram, helping brands get enhanced economy out of influencer campaigns. Access to the platform's measurement metrics provides the client with more meaningful ways to evaluate their desired business outcomes such as awareness, consideration, intent and event sales versus solely assessing engagement. #Hashoff is platform-agnostic, leveraging influencers across Facebook, Instagram, Snapchat, Twitter, and YouTube to deliver the best results to its clients.

Hashoff derives revenue from a combination of software license fees and transaction fees.

RESULTS OF OPERATIONS

For the year ended May 31, 2020 and the period from incorporation on June 8, 2018 to May 31, 2019

The Company incurred a net loss and comprehensive loss of $642,789 (the period from incorporation on June 8, 2018 to May 31, 2019 – $50,387) for the year ending May 31, 2020. Revenue for the year ending May 31, 2020 was $503,215 (the period from incorporation on June 8, 2018 to May 31, 2019 - $Nil). Cost of revenues for the year ending May 31, 2020 was $143,546 (the period from incorporation on June 8, 2018 to May 31, 2019 - $Nil). Expenses for the year ending May 31, 2020 were $994,696 (the period from incorporation on June 8, 2018 to May 31, 2019 - $50,387).

Significant or noteworthy expenditure variances between the year ended May 31, 2020 and the period from incorporation on June 8, 2018 to May 31, 2019 include:

	Year ended May 31, 2020 $	Period from incorporation on June 8, 2018 to May 31, 2019 $
Loss for the period	**(642,789)**	(50,387)
Cost of Sales	**143,546**	-
	This increase is due to the completion of the business combination with Hashoff during the year ended May 31, 2020.	
Investigation costs	**319,339**	-
	This increase is due to the search for the Company's qualifying transaction during the current year ended May 31, 2020, and is comprised primarily of accounting and audit fees, consulting fees, legal fees and meeting and conference room expenses.	
Salaries and benefits	**155,505**	-
	This increase is due to the completion of the business combination with Hashoff during the year ended May 31, 2020.	
Share-based compensation	**159,984**	-
	This increase is due to the granting of stock options to directors, officers and advisers of the Company during the year ended May 31, 2020.	

For the three months ended May 31, 2020 and 2019

The Company incurred a net loss and comprehensive loss of $167,099 (2019 – $14,506) for the three months ending May 31, 2020. Revenue for the three months ending May 31, 2020 was $503,215 (2019 - $Nil). Cost of revenues for the three months ending May 31, 2020 was $143,546 (2019 - $Nil). Expenses for the three months ending May 31, 2020 were $519,006 (2019 - $14,506).

Significant or noteworthy expenditure variances between the three months ended May 31, 2020 and the three months ended May 31, 2019 include:

	Three months ended May 31, 2020 $	Three months ended May 31, 2019 $
Loss for the period	**(167,099)**	(14,506)
Cost of Sales	**143,546**	-
	This increase is due to the completion of the business combination with Hashoff during the three months ended May 31, 2020.	
Investigation costs	**109,726**	-
	This increase is due to the search for the Company's qualifying transaction and is comprised primarily of accounting and audit fees, consulting fees, legal fees and meeting and conference room expenses.	
Salaries and benefits	**155,505**	-
	This increase is due to the completion of the business combination with Hashoff during the three months ended May 31, 2020.	

SELECTED ANNUAL INFORMATION

	Year Ended May 31, 2020	Period From Incorporation on June 8, 2018 to May 31, 2019
	$	**$**
Revenue	503,215	-
Cost of revenues	(143,546)	-
Gross profit	359,669	-
Net loss	(642,789)	(50,387)
Basic (loss) per share	(0.03)	0.00
Total assets	9,920,275	453,947
Working capital	2,382,851	407,975

SUMMARY OF SELECTED HIGHLIGHTS FOR THE LAST EIGHT QUARTERS

Description	May 31, 2020	February 29, 2020	November 30, 2019	August 31, 2019
Net loss	(167,099)	(143,988)	(235,209)	(96,493)
Basic loss per share	(0.01)	(0.01)	(0.02)	(0.01)

Description	May 31, 2019	February 28, 2019	November 30, 2018	August 31, 2018
Net loss	(14,506)	(8,922)	(26,952)	(7)
Basic loss per share	(0.00)	(0.00)	(0.00)	(0.00)

During the three months ended November 30, 2019 the Company recorded share-based payments of $101,896 and investigation costs of $107,155.

During the three months ended February 29, 2020 the Company recorded investigation costs of $95,644.

During the three months ended May 31, 2020 the Company recorded revenues of $503,215, cost of revenues of $143,546 and salaries & benefits of $155,505.

LIQUIDITY AND SOLVENCY

At May 31, 2020, the Company had working capital of $2,382,851 and cash of $958,162. During the year ended May 31, 2020 the Company recorded revenues of $503,215 and cost of revenues of $143,546 for gross profit of $359,669.

In connection with the completion of its business combination with Hashoff during the year ended May 31, 2020, the Company completed a private placement of 3,771,428 subscription receipts (issued in July 2020) at a price of $0.35 per subscription receipt for gross proceeds of $1,320,000.

During the year ended May 31, 2020, the Company completed its initial public offering ("IPO") of 12,263,000 common shares for proceeds of $1,226,300 and incurred cash share issuance costs of $264,081.

Subsequent to the year ended May 31, 2020, the Company received proceeds of $7,905 from the exercise of 79,050 agent's options.

The Company has an operating line of credit ("LOC") of $500,000 USD with a financial institution (the "Bank"), which bears finance fees of one and one-half percent (1.50%) per month of the average daily obligations outstanding during the month. This loan includes a non-refundable commitment fee equal to one percent (1.00%) of the credit limit. The Bank advances funds based on reviewed and accepted Customer invoices supported agreements and purchase orders. The Bank loans up to 85% of the customer invoice upon acceptance. Total advances cannot exceed the credit limit of $500,000 USD. The balance of the LOC was $475,121 as of May 31, 2020. Subsequent to May 31, 2020, the Company increased its credit facility with the Bank to $2,000,000 USD and allows the Company to draw up to $2,000,000 USD at an interest rate of 0.83% per month.

During the year ended May 31, 2020, the Company received loan proceeds of $195,500 (USD $142,000) from a financial institution as a result of the Paycheck Protection Program instituted by the Coronavirus Aid, Relief, and Economic Security Act. This loan bears interest of 1% per annum, matures two years from the date of the agreement and no payments are due on the loan for six months from the date of first disbursement.

The Company's future capital requirements will depend upon many factors including, without limitation, the success of its marketing and distribution channels. The Company has limited capital resources, and, prior to the business combination during the current year ended May 31, 2020, the Company's operating subsidiary relied upon the issuance of convertible promissory notes required for marketing the products, paying for software maintenance and development, and to fund the administration of the Company. Since the Company does not expect to generate substantial profit from operations in the immediate future, it may continue to rely upon the sales of equity and debt securities to raise capital, which would result in further dilution to the shareholders, and draws from its operating line of credit. There is no assurance that financing, whether debt or equity, will be available to the Company in the amount required by the Company at any particular time or for any period and that such financing can be obtained on terms satisfactory to the Company or at all. See “Risk Factors”.

OFF-BALANCE SHEET ARRANGEMENTS

The Company does not have any off-balance sheet arrangements that have, or are reasonably likely to have, an effect on the results of operations or financial condition of the Company.

RELATED PARTY TRANSACTIONS

Parties are considered to be related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions. Parties are also considered to be related if they are subject to common control or common significant influence, related parties may be individuals or corporate entities. A transaction is considered to be a related party transaction when there is a transfer of resources or obligations between related parties. Related party transactions that are in the normal course of business and have commercial substance are measured at the exchange amount.

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly. Key management personnel include the Company’s executive officers and members of the Board of Directors.

These transactions were agreed upon by the board of directors and were measured at the exchange amount which is the amount of consideration established and agreed to by the related parties.

During the year ended May 31, 2020, the Company entered into the following transactions with related parties:

a) Paid or accrued consulting fees of $28,766 (period from incorporation on June 8, 2018 to May 31, 2019 - $nil) to Mr. Michael Racic, CEO, President, corporate secretary and a director of the Company. At May 31, 2020, the Company owed $nil (May 31, 2019 - $nil) to Mr. Racic.

b) Paid or accrued consulting fees of $28,766 (period from incorporation on June 8, 2018 to May 31, 2019 - $nil) to Mr. Steven Goldberg, COO of the Company. At May 31, 2020, the Company owed $nil (May 31, 2019 - $nil) to Mr. Goldberg.

c) Paid or accrued consulting fees of $2,000 (period from incorporation on June 8, 2018 to May 31, 2019 - $nil) to Cross Davis & Company LLP, an accounting firm in which Mr. Scott Davis, the CFO of the Company, is a partner. At May 31, 2020, the Company owed $nil (May 31, 2019 - $nil) to Cross Davis & Company LLP.

d) Paid or accrued advertising and promotion expenses of $22,897 (period from incorporation on June 8, 2018 to May 31, 2019 - $nil) to Prime Wire Media Inc. (“Prime Wire”), a private company controlled by Mr. John-David A. Belfontaine, a director of the Company. The Company also paid $44,250 (period from incorporation on June 8, 2018 to May 31, 2019 - $nil) to Prime Wire for prepaid advertising and promotion expenses. At May 31, 2020, the Company owed $33,335 (May 31, 2019 - $nil) to Prime Wire.

e) Paid or accrued legal fees of $71,123 (period from incorporation on June 8, 2018 to May 31, 2019 - $nil) to Purdy Law Professional Corporation (“Purdy Law”), a private company controlled by Mr. Brendan Purdy, a director of the Company. At May 31, 2020, the Company owed $10,735 (May 31, 2019 - $nil) to Purdy Law.

The remuneration of directors and other members of key management personnel during the year ended May 31, 2020 and the period from incorporation on June 8, 2018 to May 31, 2019 are as follows:

	Salaries and benefits	Fees	Share-based Benefits	Total
Year ended May 31, 2020				
Chief Executive Officer and President	$ -	$ 28,766	$ 26,002	$ 54,768
Chief Operating Officer	-	28,766	26,002	54,768
Chief Financial Officer	-	2,727	-	2,727
Non-executive directors and other key management	39,366	94,020	77,915	211,301
	$ 39,366	$ 154,279	$ 129,919	$ 323,564
Period from incorporation on June 8, 2018 to May 31,				
Chief Executive Officer and President	$ -	$ -	$ -	$ -
Chief Operating Officer	-	-	-	-
Chief Financial Officer	-	-	-	-
Non-executive directors	-	-	-	-
	$ -	$ -	$ -	$ -

During the year ended May 31, 2020, the Company issued 1,750,000 stock options to directors and officers of the Company and recognized stock-based compensation expense of $129,919.

OUTSTANDING SHARES, STOCK OPTIONS, AND WARRANTS

As at the date of this report, the Company had the following outstanding:

- 25,913,479 common shares.
- Stock options

Number of Options	Exercise Price ($)	Expiry Date
901,990*	0.10	August 21, 2021
2,156,000	0.10	August 21, 2024
3,057,990		

*Agent's options

On August 21, 2019, the Company granted directors and officers of the Company options to purchase an aggregate of 780,000 common shares in the capital of the Company at an exercise price of $0.10 per share, which expire on August 21, 2024.

On September 25, 2019, the Company granted directors, officers and advisers of the Company options to purchase an aggregate of 1,376,000 common shares in the capital of the Company at an exercise price of $0.10 per share, which expire on August 21, 2024.

- There are no warrants outstanding

RECENT ACCOUNTING POLICIES

Please refer to the May 31, 2020 consolidated financial statements on www.sedar.com.

FINANCIAL INSTRUMENTS

Please refer to the May 31, 2020 consolidated financial statements on www.sedar.com.

PROPOSED TRANSACTIONS

There are no proposed transactions that have not been disclosed herein.

CRITICAL ACCOUNTING ESTIMATES

The preparation of financial statements in accordance with IFRS requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from management's estimates. Please refer to Note 2 in the May 31, 2020 consolidated financial statements on www.sedar.com for "Use of Estimates and Judgments".

INTERNAL CONTROLS OVER FINANCIAL REPORTING

Changes in Internal Control over Financial Reporting ("ICFR")

In connection with National Instrument 52-109, Certification of Disclosure in Issuer's Annual and Interim Filings ("NI 52-109") adopted in December 2008 by each of the securities commissions across Canada, the Chief Executive Officer and Chief Financial Officer of the Company will file a Venture Issuer Basic Certificate with respect to financial information contained in the unaudited interim consolidated financial statements and the audited annual consolidated financial statements and respective accompanying Management's Discussion and Analysis. The Venture Issue Basic Certification does not include representations relating to the establishment and maintenance of disclosure controls and procedures and internal control over financial reporting, as defined in NI52-109.

OTHER MD&A REQUIREMENTS

Additional disclosure of the Company's technical reports, material change reports, news releases and other information can be obtained on SEDAR at www.sedar.com.

RISK FACTORS AND UNCERTAINTIES

On March 11, 2020, the World Health Organization categorized COVID-19 as a pandemic. The potential economic effects within the Company's environment and in the global markets, possible disruption in supply chains, and measures being introduced at various levels of government to curtail the spread of the virus (such as travel restrictions, closures of non-essential municipal and private operations, imposition of quarantines and social distancing) could have a material impact on the Company's operations. The extent of the impact of this outbreak and related containment measures on the Company's operations cannot be reliably estimated at the date of these consolidated financial statements.

An investment in the Company is speculative and involves a high degree of risk. Accordingly, prospective investors should carefully consider the specific risk factors set out below, in addition to the other information contained in this MD&A, before making any decision to invest in the Company. The Directors consider the following risks and other factors to be the most significant for potential investors in the Company, but the risks listed do not necessarily comprise all those associated with an investment in the Company and are not set out in any particular order of priority. Additional risks and uncertainties not currently known to the Directors may also have an adverse effect on the Company’s business.

If any of the following risks actually occur, the Company’s business, financial condition, capital resources, results or future operations could be materially adversely affected. In such a case, the price of the common shares could decline, and investors may lose all or part of their investment.

Dependence on third parties, including users and content providers

DGTL is reliant to an extent on third parties, including content providers, users, and affiliate network publishers. DGTL’s success is partially dependent on its ability to attract and retain quality content providers. There can be no assurance that these business relationships will continue to be maintained or that new ones will be successfully formed. A breach or disruption in these relationships could be detrimental to the future business, operating results and/or profitability of DGTL. Moreover, DGTL’s financial performance will be significantly determined by its success in adding, retaining, and engaging active users of its services. If users do not perceive DGTL’s content as interesting, unique and useful, DGTL may not be able to attract or retain additional users, which could adversely affect the business.

Reliance on Management

The success of DGTL is dependent upon the ability, expertise, judgment, discretion and good faith of its senior management. While employment agreements are customarily used as a primary method of retaining the services of key employees, these agreements cannot assure the continued services of such employees. As of the date of this report, the Co-Founder of Hashoff is the only senior manager who has an employment agreement; the two Officers assigned by DGTL to provide executive management to Hashoff (CEO and COO) do not have employment contracts. Any loss of the services of such individuals could have a material adverse effect on DGTL’s business, operating results or financial condition.

In the year ended May 31, 2020, Tom Jessiman resigned as officer and from the board of members of Hashoff. Although management believes that it will be able to replace key personnel, including Mr. Jessiman, within a reasonable time should the need arise, the loss of key personnel could have a material adverse effect on the business, financial condition, liquidity and results of operations of Hashoff. As Hashoff continues to grow, it cannot guarantee that it will continue to attract the personnel it needs to maintain its competitive position. If Hashoff does not succeed in attracting, hiring, and integrating key personnel with industry-specific experience, or retaining and motivating existing personnel, it may be unable to grow effectively. There is no key man insurance in place.

Factors which may Prevent Realization of Growth Targets

There is a risk that these additional resources will not be achieved on time, on budget, or at all, as they can be adversely affected by a variety of factors, including some that are discussed elsewhere in these risk factors and the following:

- Competitive conditions in the industry, including new products, product announcements and special pricing offered by competitors;
- Market acceptance of service offering;
- Ability to hire, train and retain sufficient qualified sales and professional services staff;
- Ability to complete service obligations related to subscriptions in a timely manner;
- Varying size, timing and contractual terms of marketing campaigns, which may delay the recognition of revenue;
- Ability to maintain existing relationships and to create new relationships to assist with sales and marketing efforts;
- The discretionary nature of advertising purchase and budget cycles and changes in their budgets for, and timing of, content production and related services;
- The length and variability of the sales cycles;

- Strategic decisions by DGTL or competitors, such as acquisitions, divestitures, spin-offs, joint ventures, strategic investments or changes in business strategy;
- General weakening of the economy resulting in a decrease in the overall demand for SaaS and related services;
- Changes in DGTL's pricing policies and the pricing policies of DGTL's competitors;
- Timing of service development and new service offering initiatives;
- Changes in the mix of revenue attributable to substantially lower-margin service revenue as opposed to higher margin managed service revenues; and
- Cancellation of recurring monthly software contracts.

As a result, there is a risk that DGTL may not have services to meet the anticipated demand or to meet future demand when it arises.

Because DGTL's annual revenue is dependent upon a relatively small number of transactions, even minor variations in the rate and timing of conversion of sales prospects into revenue could cause the plan or budget to be inaccurate, and those variations could adversely affect financial results. Delays, reductions in the amount, or cancellations of customers' purchases would adversely affect DGTL's revenues, results of operations, and financial condition.

Additional Financing

In order to execute the anticipated growth strategy, DGTL may require additional equity and/or debt financing to support on-going operations, to undertake capital expenditures or to undertake acquisitions or other business combination transactions. There can be no assurance that additional financing will be available to the Company when needed or on terms, which are acceptable. The Company's inability to raise financing to support on-going operations or to fund capital expenditures or acquisitions could limit DGTL's growth and may have a material adverse effect upon future profitability. The Company may require additional financing to fund its operations to the point where it is generating positive cash flows.

If additional funds are raised through further issuances of equity or convertible debt securities, existing shareholders could suffer significant dilution, and any new equity securities issued could have rights, preferences and privileges superior to those of holders of Common Shares. Any debt financing secured in the future could involve restrictive covenants relating to 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.

Historical Losses and Negative Operating Cash Flows

DGTL has a history of operating losses and may generate continued operating losses and negative cash flows in the future while it carries out its current business plan to further develop and expand its network of digital media properties. DGTL has made significant up-front investments in acquiring significant digital media assets, marketing, and general and administrative expenses in order to rapidly develop and expand its business. The successful development and commercialization of these operations will depend on a number of significant financial, logistical, technical, marketing, legal, competitive, economic and other factors, the outcome of which cannot be predicted. There is no guarantee that DGTL's operations will be profitable or produce positive cash flow or that DGTL will be successful in generating significant revenues in the future or at all. DGTL's inability to ultimately generate sufficient revenues to become profitable and have positive cash flows could have a material adverse effect on its prospects, business, financial condition, results of operations or overall viability as an operating business.

Competition

The industry in which DGTL operates is highly competitive and competition could intensify, or any technological advantages held by DGTL may be reduced or lost, as a result of technological advances by its competitors.

If DGTL does not compete effectively with these competitors, its revenue may not grow. DGTL has experienced competition from a number of software and advertising technologies companies and expects continued competition in the future. DGTL's competitors may announce new products, services or enhancements that better meet the needs of customers or changing industry standards. Increased competition may cause price reductions, reduced gross margins and reduced growth in sales, any of which could have a material adverse effect on the business, results of operations and financial condition of DGTL. DGTL faces substantial competition from established competitors, many of which may have greater financial, engineering, manufacturing and marketing resources than it does. Many of these companies also have a larger installed base of users, have longer operating histories or have greater name recognition than DGTL does. There can be no assurance that DGTL will successfully differentiate its current and proposed service offerings from the offerings of its competitors, or that the marketplace will consider the service offerings of DGTL, to be superior to competing offerings.

Because of the early stage of the industry in which DGTL operates, DGTL expects to face additional competition from new entrants. To maintain DGTL's competitive position, it is believed that DGTL will be required to continue a high level of investment in engineering, research and development, marketing and customer service and support. There can be no assurance that DGTL will have sufficient resources to continue to make these investments, that it will be able to make the technological advances necessary to maintain its competitive position, or that its products will receive market acceptance. DGTL's competitors may be able to respond more quickly to changes in customer requirements and devote greater resources to the enhancement, promotion and sale of their products. DGTL may not be able to compete successfully in the future, and increased competition may result in price reductions, reduced profit margins, loss of market share and an inability to generate cash flows that are sufficient to maintain or expand its development of new products.

Reliance on New Product and Service Offerings

The success of the business of DGTL is dependent upon its ability to develop new products and enhance existing services. To keep pace with technological developments, satisfy increasingly sophisticated customer requirements and achieve market acceptance, DGTL must enhance and improve existing products and must also continue to introduce new products and services. If DGTL is unable to successfully develop new offerings or enhance and improve existing offerings or it fails to position and/or price its services to meet market demand, the business and operating results of DGTL will be adversely affected. Any new service offerings could require long development and testing periods and may not be introduced in a timely manner or may not achieve the broad market acceptance necessary to generate significant revenue.

Dependence on Personnel

Due to the technical nature of its business and the dynamic market in which DGTL competes, DGTL's success depends on its ability to attract and retain highly skilled developers, technology, engineering, managerial, marketing and sales personnel. In particular, DGTL's future success depends in part on the continued services of each of its current executive officers and other key employees. Competition for qualified personnel in the advertising technology, SaaS, and CaaS industries is intense. DGTL believes that there are only a limited number of persons with the requisite skills to serve in many key positions and it is difficult to hire and retain these persons. The loss of one or more of these key personnel may have a significant adverse effect on DGTL's sales, operations, technological development and profits

Difficulty to Forecast

DGTL must rely largely on its own market research to forecast sales as detailed forecasts are not generally obtainable from other sources. A failure in the demand for its products to materialize as a result of competition, technological change or other factors could have a material adverse effect on the business, results of operations and financial condition of DGTL and the Company.

Variable Revenues / Earnings

The revenues and earnings of DGTL may fluctuate from quarter to quarter. Revenues and earnings may vary quarter to quarter as a result of a number of factors, including the timing of substantial sales orders, activities of DGTL's competitors, and cyclical fluctuations related to the evolution of SaaS technologies.

Uncertainty of Pricing Model Changes

If DGTL is required to change its pricing models to compete successfully, margins and operating results may be adversely affected. The intensely competitive market in which DGTL operates may require that prices be reduced. If competitors offer deep discounts on certain products or services in an effort to recapture or gain market share or to sell other software products, DGTL may be required to lower prices or offer other favourable terms to compete successfully. Any such changes would be likely to reduce margins and could adversely affect operating results.

Some competitors may bundle software products that compete with DGTL service offerings for promotional purposes or as a long-term pricing strategy or provide guarantees of prices and product implementations. These practices could, over time, limit the prices that DGTL can charge for its products. If DGTL cannot offset price reductions with a corresponding increase in the number of sales or with lower spending, then the reduced software licensing and managed service revenue resulting from lower prices would adversely affect margins and operating results.

Inability to Develop and Maintain Strategic Relationships

DGTL may not be able to successfully develop and maintain strategic relationships to sell and implement its service offerings. DGTL has or is developing relationships with third-party systems integrators, software and hardware vendors. These third parties may provide DGTL with customer referrals, cooperate in marketing DGTL's products and provide its customers with systems implementation services or additional complementary products. However, DGTL does not have formal agreements governing ongoing relationships with certain of these third-party providers and the agreements in place generally do not include obligations with respect to generating sales opportunities or co-operating on future business. Should any of these third parties go out of business or choose not to work with DGTL, it may be forced to increase the development of those capabilities internally, incurring significant expense and adversely affecting operating margins. These third-party providers may work with other companies which have products that compete with the DGTL products. DGTL could lose sales opportunities if it fails to work effectively with these parties or they choose not to work with DGTL.

Technological Errors

Errors in DGTL services could result in significant costs to DGTL and could impair its ability to sell its service offerings. DGTL service offerings are complex and, accordingly, they may contain errors, or "bugs", that could be detected at any point in their life cycle. The reputation of DGTL could be materially and adversely affected by errors in the service offerings. These errors could result in significant costs to DGTL, delay planned release dates and impair the ability to sell products in the future. The costs incurred in correcting any errors may be substantial and could adversely affect operating margins. While DGTL plans to continually test for errors and work with customers through maintenance support services to identify and correct bugs, errors may be found in the future.

Third Party Licenses

DGTL license software from third parties. The loss of rights to use this software could increase operating expenses and could adversely affect DGTL's ability to compete. DGTL may license certain technologies used in its products from third parties, generally on a non-exclusive basis. The termination of any of these licenses, or the failure of the licensors to adequately maintain or update their products, could delay DGTL's ability to ship its products, as DGTL may need to seek to implement alternative technology offered by other sources. This may require unplanned investments by DGTL. In addition, alternative technology may not be available on commercially reasonable terms. In the future, it may be necessary or desirable to obtain other third-party technology licenses relating to one or more products or relating to current or future technologies to enhance DGTL's offerings. There is a risk that DGTL will not be able to obtain licensing rights to the needed technology on commercially reasonable terms, if at all.

Management of Growth

DGTL may be subject to growth-related risks including capacity constraints and pressure on its internal systems and controls. The ability of DGTL to manage growth effectively will require it to continue to implement and improve its operational and financial systems and to expand, train and manage its employee base. The inability of DGTL to deal with this growth may have a material adverse effect on DGTL's business, financial condition, results of operations and prospects.

Litigation

DGTL may become party to litigation from time to time in the ordinary course of business, which could adversely affect its business. Should any litigation in which DGTL becomes involved be determined against DGTL such a decision could adversely affect DGTL's ability to continue operating and the market price for the Company's Common Shares and could use significant resources. Even if DGTL is involved in litigation and wins, litigation can redirect significant company resources.

Intellectual Property

DGTL does not hold any patents and intends to rely substantially on trade secrets, copyright legislation, common law trademark protection and trademark applications and registrations, nondisclosure and other contractual agreements. DGTL may consider filing patent applications in the future if strategically and commercially reasonable. DGTL cannot assure that steps taken to protect its intellectual property will be adequate, that competitors will not independently develop or patent substantially equivalent or superior technologies or be able to design around any future patents that DGTL may receive. Despite DGTL's best efforts, filing patent applications may not result in enforceable patent rights in all jurisdictions that DGTL does, or may, operate in. Further, any issued patents or third-party patents to which DGTL has licensed rights, may be of a restricted scope that does not cover possible foundational technologies and/or technologies practiced by others. Unauthorized parties may attempt to copy aspects of our products or to obtain information we regard as proprietary. Policing unauthorized use of proprietary technology, if required, may be difficult, time-consuming and costly. If a third-party misappropriates DGTL's intellectual property, DGTL may be unable to enforce its rights. If it is unable to protect its intellectual property against unauthorized use by others, it could have an adverse effect on our competitive position. DGTL may be challenged by allegations of its infringement of the intellectual property of others. There is no assurance DGTL will be successful in defending such claims and, if DGTL is unsuccessful, there is no assurance that it will be successful in obtaining a license for the intellectual property in question. Intellectual property claims are expensive and time consuming to defend and, even if they are without merit, may cause delay in the introduction of new products or services. In addition, our managerial resources could be diverted in order to defend our rights, which could disrupt our operations.

Liquidity Risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they become due. The Company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities as they become due.

Regulation

DGTL is subject to general business regulations and laws as well as regulations and laws specifically governing collection of information and the internet. Existing and future laws and regulations may impede DGTL's growth strategies. These regulations and laws may cover taxation, privacy, data protection, pricing, content, copyrights, distribution, consumer protection, web services, websites, and the characteristics and quality of products and services. Unfavourable changes in regulations and laws could decrease demand for DGTL's digital media properties and inventory and increase its cost of doing business or otherwise have a material adverse effect on DGTL's reputation, popularity, results of operations, and financial condition.

As a result of disclosure of information in filings required of a public company, DGTL's business and financial condition will become more visible, which may result in threatened or actual litigation, including by competitors and other third parties. If such claims are successful, the Company's business and results of operations could be harmed, and even if the claims do not result in litigation or are resolved in its favor, these claims, and the time and resources necessary to resolve them, could divert the resources of the Company's management and harm its business and results of operations.

Security of Digital Media Properties

DGTL cannot guarantee absolute protection against unauthorized attempts to access its IT systems, including malicious third party applications or denial of service attacks that may interfere with or exploit security flaws in its digital media properties. Viruses, worms, and other malicious software programs could jeopardize the security of information stored in a user's computer or in DGTL's computer systems or attempt to change the internet experience of users by interfering with DGTL's ability to connect with a user. If any compromise to DGTL's security measures were to occur and DGTL's efforts to combat this breach were unsuccessful, DGTL's reputation may be harmed leading to an adverse effect on DGTL's financial condition and future prospects.

General

Although management believes that the above risks fairly and comprehensibly illustrate all material risks facing the Company, the risks noted above do not necessarily comprise all those potentially faced by the Company as it is impossible to foresee all possible risks.

Although the Directors will seek to minimise the impact of the risk factors, an investment in the Company should only be made by investors able to sustain a total loss of their investment. Investors are strongly recommended to consult a person who specialises in investments of this nature before making any decision to invest.