

Parvis Invest Inc.

Management's Discussion and Analysis of Financial Condition
And Results of Operations as at October 31, 2022 and 2021

Introduction

The following is management's discussion and analysis ("MD&A") of Parvis Invest Inc.'s financial condition and results of operations for the year ended October 31, 2022 and 2021 and should be read in conjunction with the audited consolidated financial statements and related notes for the same reporting periods.

The MD&A was prepared by management of Parvis Invest Inc. ("Parvis", or the "Company"). All financial information is expressed in Canadian dollars ("C\$"). The accompanying notes have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board. The MD&A will also outline the economic operating conditions and how these influence business activities of Parvis.

Part 1 – Overview and Outlook

The Company

Parvis was incorporated under the Canadian Business Corporations Act ("CBCA") on January 18, 2019 as 11206109 Canada Inc. and its articles were amended on March 11, 2021 becoming Parvis Invest Inc. The Company commenced operations in March 2021, and Parvis' initial material expansion and development was funded through a series of convertible debt and equity financings between March 2021 and May 2022. As of September 7, 2021, Parvis became extra provincially registered in British Columbia and thereafter became extra provincially registered in each additional Canadian province.

Parvis, a licensed exempt market dealer ("EMD") in all provinces of Canada, is on a mission to make real estate investing more accessible through a dynamic platform, bridging property developers and accredited and eligible investors. EMDs are exempt market securities dealers registered under provincial securities legislation in one or more jurisdictions in Canada.

Using its EMD registration, Parvis provides capital raising services for real-estate developers and investment opportunities for investors through Parvis' digital platform (the "Parvis Platform"). Parvis' main objective is to broaden access to real estate investment opportunities. Parvis aims to provide investors with the ability to pursue expertly vetted institutional-level real estate opportunities, while also being able to unlock liquidity through a secondary market secured by blockchain technology (the "Parvis Secondary Market").

Parvis is reimagining how people access real estate investment opportunities and is simultaneously revolutionizing the platform-based real estate market by delivering capital solutions to the developers it partners with. Fusing data and technology to pair investors and developers, Parvis creates value for both parties. By making available exciting investment opportunities that are typically reserved for a small group of elite investors, Parvis' model aims to empower investors through direct and easy access, low fees, and greater transparency. Parvis works closely with established and reputable property developers across North America to supply its users with high caliber, curated residential, commercial, and industrial real estate projects. Through the Parvis Platform, Parvis plans to provide liquidity to a once illiquid asset by allowing investors to trade on the Parvis Secondary Market. Parvis plans to deliver this service while offering lower fees compared to private market alternatives such as REITs.

At the helm of Parvis is a robust management team with over 40 years of combined experience across real estate development, corporate finance, technology, law, e-commerce, and entrepreneurship. The Parvis executive team has deep industry knowledge and expertise in delivering attractive returns through high-quality real estate assets. The Parvis executive team also has significant experience innovating and growing ventures for long-term value creation. Aiming to optimize access to premium opportunities and profitability for investors, the Parvis team has set the groundwork for its industry-leading concept, and Parvis aims to become the go-to digital marketplace for global real estate investors.

The Parvis Platform

The primary way Parvis interacts with both real-estate developers and investors is via the Parvis Platform. The Parvis Platform is a web-based application, accessible by logging in from parvisinvest.com; however, it is important to note that only approved accredited and eligible investors can see details and invest in projects on the Parvis Platform. Parvis distributes its products directly to investors via its Parvis Platform. It markets its products using a combination of traditional and modern digital channels. Parvis develops its own financial offerings based on innovative technologies and traditional financial products.

Investment Structure and Strategy

In most instances, when Parvis invests in a development or property, it creates and manages a new special purpose vehicle limited partnership (an “LP Vehicle”) that is given a unique name (typically related to the particular property or development project) and open to accredited and eligible investors. The LP Vehicles are created and managed by Parvis GP Inc., a wholly owned subsidiary of Parvis, which acts as a general partner for each LP Vehicle. In exchange for clients’ capital investments in an LP Vehicle, clients receive units in such LP Vehicle. The amount an investor contributes to an LP Vehicle determines their resulting number of units and ownership percentage of that LP Vehicle. The LP Vehicle, in turn, purchases securities from the developer’s or property owner’s investment vehicle (typically a limited partnership or a company).

Parvis offers investors four direct investment strategies for residential and commercial real estate assets, which are described below:

- **Fixed Income:** This has a low-risk profile and is generally chosen because it can provide a stable income stream and help protect principal value. The typical investment term is five to ten years, with a typical total return of 5% to 9% and a typical leverage of 0% to 30%.
- **Core Plus:** This has a low to moderate risk profile and features stabilized real estate with a long investment horizon. The typical investment term is four to eight years, with a typical total return of 9% to 15% and typical leverage of 30% to 50%.
- **Value Add:** This has a moderate to high-risk profile and involves acquiring existing properties below replacement cost and investing capital to increase their value. The typical investment term is one to six years, with a typical total return of 12% to 18% and typical leverage of 40% to 50%.
- **Opportunistic:** This has a high-risk profile and involves acquiring underutilized, well-located properties. The typical investment term is three to eight years, with a typical total return of 18% to 27% and typical leverage of 60% and higher.

Target Audience

Parvis has created a very intentional strategy to communicate and connect with our target audience, both on the supply and demand side of its business model. On the supply side, Parvis partners with developers that have a proven track record of property development and/or asset management and are looking to create short- or long-term capital solutions for their portfolio of assets. On the demand side, only accredited investors or eligible investors who rely on prospectus exemptions to make an investment can register to use Parvis’ investment platform.

An important part of Parvis strategy is to develop long-term, symbiotic relationships with real estate developers, owners and community organizers through the Parvis partner program, which seeks to connect developers, owners and community organizers with capital for their real estate development projects via the Parvis Platform.

Revenue Model

Parvis’ revenue model is based on the generation of commission on capital raised from investors and a performance fee based on the total annual return to investors. Currently, Parvis obtains a commission of between 3.5% to 5% of the amount raised for each project on the Parvis Platform paid by the real estate partner and a performance fee of 2% of the total annual return to investors paid by the investors. These fees can vary depending on the complexity of the services provided. Parvis expects to obtain a commission of 1% on the sale of tokenized real estate interests on the

Parvis Secondary Market, which will be paid by the seller. To generate investor demand, Parvis is currently foregoing the 2% performance fee on the total annual return.

Reverse Take Over

Parvis, Gravitas II Capital Corp. ("GII") and 14492528 Canada Inc. ("Subco"), a wholly owned subsidiary of GII, have entered into an amalgamation agreement (the "Amalgamation Agreement") dated November 1, 2022, pursuant to which GII will, by way of a three-cornered amalgamation, acquire all of the issued and outstanding securities of Parvis. The transaction is subject to TSX Venture Exchange Inc. ("TSXV") approval and is intended to constitute GII's qualifying transaction in accordance with TSXV Policy 2.4 - *Capital Pool Companies* (the "Transaction").

Pursuant to the terms of the Amalgamation Agreement, Subco and Parvis will amalgamate to form new company, Parvis Fintech Inc., pursuant to the *Canada Business Corporations Act*, which shall result in the indirect acquisition by GII of all the issued and outstanding securities of Parvis. On completion of the amalgamation, Parvis Fintech Inc. will be a direct, wholly owned Subsidiary of GII. GII will then be re-named "Parvis Invest Inc." or such similar name as may be approved by Parvis and acceptable to the exchange.

GII currently has 23,688,000 common shares issued and outstanding. Prior to closing the Transaction, GII will consolidated its issued and outstanding shares on a 2.49 to 1 basis, resulting in 9,513,253 common shares of GII issued and outstanding post-consolidation. It is anticipated that, upon completion of the Transaction, the GII (the "Resulting Issuer") will issue to Parvis shareholders an aggregate of (i) 17,258,482 common shares of the Resulting Issuer ("Resulting Issuer Shares"), in the event of no concurrent financing, or (ii) 26,504,752 Resulting Issuer Shares, assuming completion of the maximum concurrent financing (including exercise of the over-allotment option) for gross proceeds of \$5,750,000. The Resulting Issuer Shares are expected to trade on the TSXV under "PVIS".

Operational Performance Highlights

On September 6, 2022, Parvis received regulatory approval from the BCSC to provide EMD services to issuers in all Canadian provinces. The EMD license took effect on August 24, 2022, under the national registration database (NRD) number: (NRD 74000).

Following receipt of its EMD license, Parvis has successfully onboarded four multi-residential properties. We signed agreements with the sponsors of the properties and they are now listed on our platform for investment. Revenue will be earned as investments are fulfilled and distributed to the sponsor.

During year ended October 31, 2022:

- The Alexander Fleck House, a 60 unit, multi-residential (rental) building in Ottawa, Ontario
- Centra, a 24-storeys residential building (164 Units and 3 Town Homes) in Surrey, BC

After October 31, 2022:

- Upper Mayfield Estates, a development featuring 48 town homes and 103 single detached homes in Brampton, Ontario
- 199 Ahrens Street, a 16-unit residential building in Kitchener, Ontario

Parvis also raised capital of around \$2.6 Million during the year, which has been discussed in detail below in the financial performance section.

Part 2 – Financial Performance Review

Selected Annual Information

The following table summarizes selected financial data for the Company. The information in this table was extracted from the audited consolidated financial statements, and related notes included herein and should be read in conjunction with such financial statements.

<u>Particulars</u>	<u>October 31,</u> <u>2022</u> <u>CAD \$</u>	<u>October 31,</u> <u>2021</u> <u>CAD \$</u>	<u>YoY Change</u> <u>CAD \$</u>
Interest income	17,225	560	16,665
General and administrative expenses	1,005,982	31,624	974,358
Technology and consulting expenses	380,441	33,589	346,852
Total loss and other comprehensive loss	(1,391,991)	(72,429)	(1,319,562)
Total assets	1,208,595	474,174	734,421
Total liabilities	232,062	252,186	(20,124)
Deficit	(1,482,639)	(90,648)	(1,391,991)
Total shareholder's equity	976,533	221,998	754,535

Summary of Annual Financial Information

For the year ended October 31, 2022:

The Company does not have any income from operations yet, as it is working towards development of the real estate investment platform. This development accounts for around 70% of the expenses incurred in the last financial year, including compensation paid to key management personnel and technology consultants. The remaining 30% of the expenses cover the director's fee and share-issue costs.

Liquidity

The Company's liquidity needs for the next twelve months are expected to be met by cash on hand, cash generated from operations and through a variety of sources including production bank loans. The Company's management will continue to pursue further sources of debt or equity financing to continue the development and production of film and television properties and facilitate strategic acquisitions as considered necessary.

As at October 31, 2022 the Company has a cash balance of \$1,200,655, as compared to cash of \$449,448 at October 31, 2021. The Company has \$1,200,655 cash (2021-\$449,448) to settle \$232,062 (2021-\$38,817) of accounts payable and accrued liabilities due within one year.

Accumulated Non-Capital Losses

The deficit in both years has led to accumulated non-capital losses for income tax purposes of \$1,400,741 which can be carried forward and applied against future taxable income. \$64,563 of this expires in 2041 and the remaining in 2042.

Capital Resources

Parvis issued 9,900,000 common shares of Parvis ("Parvis Shares") on March 25, 2022 at a price of \$0.0001 per Parvis Share to the founders of Parvis pursuant to a subscription for Parvis Shares in order to rectify the failure to file articles of amendment with Corporations Canada to properly effect the subdivision of 100,000 Parvis Shares then issued and outstanding into 10,000,000 Parvis Shares.

On March 25, 2022, Parvis issued convertible note instruments (the "Convertible Notes") for aggregate gross proceeds of \$687,000. On May 6, 2022, Parvis issued the holders of the Convertible Notes an aggregate of 1,801,580 Parvis Shares and 687,000 Parvis Share purchase warrants in satisfaction of the principal and interest owing under

Convertible Notes, pursuant to convertible note conversion agreements dated April 22, 2022 entered into between Parvis and the holders of the Convertible Notes, under which each holder of the Convertible Notes directed the repayment of principal to be used in connection with a subscription under the Seed Round (as defined below).

On April 22, 2022, Parvis repurchased 427,580 Parvis Shares from the founders of Parvis at a price of \$0.0001 per Parvis Share.

On May 6, 2022, Parvis closed the first tranche of a non-brokered private placement (the "Seed Round") of 4,874,000 Seed Units at a price of \$0.50 per Seed Unit for aggregate gross proceeds of \$2,437,000 (of which \$687,000 was received in connection with settlement of the Convertible Notes). On May 13, 2022 and May 20, 2022, Parvis closed the second and third tranches of the Seed Round for aggregate gross proceeds of \$180,000. In connection with the Seed Round, Parvis issued to the Lead Agent 308,800 Seed Broker Warrants and issued to Kia Besharat 386,000 Seed Units in consideration for advisory services.

Pooling Agreement subsequent to the year ended October 31, 2022

On January 19, 2023, Parvis entered into pooling agreements (each, a "Pooling Agreement") with each of David Michaud, Jas Bagry and Conan Graham pursuant to which they agreed to deposit 2,871,726 Parvis Shares (the "Pooled Securities") into an executive officer securities pool. Pursuant to the Pooling Agreements, the Pooled Securities are subject to certain restrictions on transfer and will be released in two equal installments on January 1, 2024, and January 1, 2025, subject to certain performance milestones and other conditions in the Pooling Agreements being satisfied. If the applicable milestones or other conditions in the Pooling Agreements are not satisfied by the relevant release date, the Pooled Securities that would have been released on such date will be repurchased for cancellation by Parvis at a price of \$0.0001 per Parvis Share. Pursuant to the Pooling Agreement between Parvis and Conan Graham, on February 24, 2023, Parvis repurchased for cancellation 861,518 Parvis Shares held by Conan Graham at a price of \$0.0001 per Parvis Share.

Future Concurrent Financing

Parvis intends to complete the Concurrent Financing of Subscription Receipts at a price of \$0.67 per Subscription Receipt. The aggregate gross proceeds of the Concurrent Financing are anticipated to be a minimum of nil and a maximum of \$5,000,000.

Part 3 - Capitalization

As at October 31, 2022:

Common Shares

Parvis is authorized to issue an unlimited number of common shares, of which 15,620,000 shares are issued and outstanding as fully paid and non-assessable as at October 31, 2022.

The following issuance of share capital occurred during the financial year:

- On March 25, 2022, the Company authorized a 10:1 increase in capital for the Company. Parvis issued 9,900,000 Parvis Shares at a price of \$0.0001 per Parvis Share to the founders of Parvis pursuant to a subscription for Parvis Shares.
- On April 22, 2022, the Company repurchased 427,580 shares for \$42.75.
- On April 22, 2022, the Company settled the convertible debt for \$687,000, which amount the convertible note holders directed to be used towards a subscription in the Seed Round, and the issuance of 427,580 Parvis Shares, effective May 6, 2022, at a deemed price of \$0.0001 per Parvis Share.
- During the period between May 6, 2022 to May 20, 2022 the Company issued 5,234,000 units ("Seed Units") in a private placement for \$0.50 per unit. Each Seed Unit consisted of 1 Parvis Share and a ½ of 1 Parvis

Share, with each whole warrant exercisable to acquire 1 Parvis Share at a price of \$0.75 per Parvis Share for 2 years from the date of closing of the Transaction. In addition, 386,000 Seed Units were issued as a corporate finance fee, and 308,800 broker warrants were issued, with each broker warrant exercisable to acquire one Seed Unit at a price of \$0.50 per Seed Unit for two years from the date of closing of the Transaction.

- During the year ended October 31, 2021, 100,000 shares were issued to founders of the company for \$0.001 a share.

Warrants

As at October 31, 2022 the Company has the following warrants outstanding:

2,810,000 warrants outstanding exercisable at \$0.75 per Parvis Share for two years from the date of closing of the Transaction.

308,800 broker warrants outstanding exercisable at \$0.50 per Seed Unit for two years from the date of closing of the Transaction.

The fair value of each warrant granted was estimated using a Black Scholes option pricing model on the date of grant assuming a risk-free rate of 3.71 and a volatility of 75%.

There were no warrants outstanding as at October 31, 2021.

Stock Options

Effective September 9, 2022, the Company adopted a Stock Option Plan ("Plan") for employees, executive offices, directors or consultants of the Company. The Plan allows the Company to reserve up to 10% of the outstanding shares of the company to be granted in options. As of October 31, 2022, 1,562,000 options have been set aside by the Company and 1,562,000 options have been awarded. There were no options awarded during the year ended October 31, 2021.

Subsequent Share Repurchase and Share Issuance

On February 24, 2023, the Company repurchased 861,518 Parvis Shares at a price of \$0.0001 per Parvis Share. Immediately prior to closing the Transaction, the Company will issue 2,500,000 Parvis Shares in consideration for advisory services provided to the Company. Following these events, immediately prior to closing the Transaction, the Company is expected to have 17,258,482 Parvis Shares issued and outstanding.

Weighted Average Number of Common Shares

The weighted average number of common shares outstanding for fiscal 2022 was 7,974,882 and 10 for fiscal 2021. The weighted average of outstanding shares incorporates any changes of shares outstanding over a reported period and is used to calculate key financial measures such as earnings per share for the period.

Other than the afore-mentioned securities, no other dilutive securities were outstanding at year-end.

Part 4 – Additional Information

Related Party Transactions

The Company considers its related parties to consist of members of its board of directors and officers, including their close family members and companies controlled or significantly influenced by such individuals, and reporting shareholders and their affiliates which may exert significant influence over the Company's activities.

Total compensation and other benefits to directors and employees classified as key management, being individuals having authority and responsibility for planning, directing, and controlling the activities of the Company, are included as related party transactions.

As at year ended October 31, 2022:

Key Management personnel were paid \$694,344 in cash compensation for the year ending October 31, 2022. As of October 31, 2022, \$20,238 is payable (2021- \$nil). Included in the General and Administrative expenses is a director's fee of \$256,400 (2020- Oct 31, 2021). Included in share-issue costs is \$193,000 (2021- \$nil) of units issued to a director as compensation for fund-raising services as an officer of Gravitass Securities Inc.

As at year ended October 31, 2021:

Technology and consulting fee expenses includes \$22,507 for InnoVenture Financial Inc. (InnoVenture), which is owned by an officer and director in the Company and was paid for consulting services as the Company's CFO prior to employment. The agreement with InnoVenture is for a term of five years at a cost of \$8,000 per month increasing to \$15,000 per month upon completion of the private placement seed financing round, with further increase to \$20,8333 per month upon completion of subsequent financing round. As of October 31, 2021, accounts payable and accrued liabilities includes \$22,507 payable to this related party. Subsequently the consulting agreement with InnoVenture was mutually terminated and the CFO's services are now under an employment agreement with the Company.

Risk Management

The Company manages risk through establishing policies that provide management oversight related to the risks of operations, including ensuring that risks are identified and assessed, and that appropriate and effective policies are in place. Market risk is the risk that the fair value of a financial instrument will fluctuate because of changes in market prices. For purposes of this disclosure, market risk is segregated into three categories: other market risk, interest rate risk and currency risk. Other risks associated with financial instruments include credit risk and liquidity risk.

Forward-Looking Statements

Certain statements contained in this document constitute "forward-looking information" or "forward-looking statements" (collectively, "forward-looking statements") including statements regarding the Transaction, the GII share consolidation, the Company's business model and plans, and the Parvis Secondary Market. When used in this document, the words "may", "would", "could", "will", "intend", "plan", "propose", "anticipate", "believe", used by any of the Corporation's management, are intended to identify forward-looking statements. Such statements reflect the Corporation's forecasts, estimates and expectations, as they relate to the Corporation's current views based on their experience and expertise with respect to future events and are subject to certain risks, uncertainties and assumptions. Many factors could cause the Corporation's actual results, performance or achievements to be materially different from any future results, performance or achievements that may be expressed or implied by such forward-looking statements. Given these risks and uncertainties, readers are cautioned not to place undue reliance on such forward-looking statements. There can be no assurance that the Transaction will be completed as proposed or at all. The Corporation does not intend, and does not assume any obligation, to update any such factors or to publicly announce the result of any revisions to any of the forward-looking statements contained herein to reflect future results, events or developments unless required by law.

Accounting Policy

Financial information for the fiscal year ending October 31, 2022 and 2021 presented and discussed in this MD&A is prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB").

Significant accounting policies and outline the measurement and other accounting policies that are relevant to understanding Parvis' financial statements, business operations, and the direct-selling industry. Changes in accounting

policies distinguish how the Company should present and disclose different types of accounting changes in its financial statements. Changes in accounting policies need to be applied retroactively while changes in accounting estimates are accounted for prospectively.

Risk Factors

Regulatory Requirements

Governmental regulation may affect the Parvis' activities and Parvis may be affected in varying degrees by government policies and regulations. Any changes in regulations, including the introduction of new laws or regulations or changes in how current laws or regulations are applied by regulatory authorities, or shifts in political conditions are beyond the control of Parvis and have a material adverse effect on the Parvis' business and results from operations and the value of Resulting Issuer Shares.

Exempt Market Dealer Registration

Parvis' business may involve trade and distribution of securities. As a result, Parvis must be registered as a securities dealer under an appropriate category of registration under applicable securities laws in order to carry out its business, or it must be able to rely on an exemption from such registration requirement. In connection with its real estate investment platform related business, Parvis filed an application and received regulatory approval from the BCSC on September 6, 2022 to provide EMD services to issuers in all provinces of Canada. There are certain requirements for being an EMD under the terms of registration with the BCSC, including but not limited to minimum capital requirements. Failure to comply with such requirements may result in the revocation of Parvis' EMD registration, which could result in the inability of Parvis to conduct its business as planned and would have a material adverse effect on Parvis' results of operations and financial condition. Parvis' failure to comply with the requirements of its EMD licence may also result in regulatory penalties, including but not limited to financial or injunctive penalties, and other claims, losses or expenses in connection with regulatory proceedings.

Concentration of the Investment Portfolio on the Parvis Platform

The real estate investment portfolio made available to investors on the Parvis Platform may be concentrated at any time in the real estate asset class in certain Canadian cities and in certain specific development projects, and the total return to investors may be substantially affected by the unfavourable performance of even a single investment. Concentration in a particular type of asset or geography makes the investment portfolio on the Parvis Platform more susceptible to changes in value from adverse conditions affecting the real estate asset class or geographic locations of the real estate development projects. As a result, Parvis customers may not be able to achieve a degree of diversification that protects them from substantial losses if the particular investment opportunities on the Parvis Platform do not perform as anticipated. If real estate development projects and other investment opportunities made available on the Parvis Platform result in losses for investors, customers may lose confidence in Parvis product and service offerings, and Parvis' business, results of operations and the value of Resulting Issuer Shares may be materially adversely affected.

Due Diligence Risk

Parvis will rely on the available resources and third-party consultants to complete its due diligence on potential investments made available on the Parvis Platform. The results of the due diligence may not reveal all the relevant facts or may contain misrepresentations, errors or omissions. There can be no assurance the information used to complete Parvis' due diligence review is accurate or complete. Additionally, Parvis may need to work with limited information or under time pressures to secure certain real estate investment opportunities from developers. There can be no assurance that sufficient time and information will be available to complete the due diligence on each investment to make a fully informed decision.

Liquidity Risk

Real property investments are relatively illiquid. This illiquidity will tend to limit the ability of investors on the Parvis Platform to respond to changing economic or investment conditions. Parvis intends to establish a secondary market to provide enhanced liquidity to investors on the Parvis Platform, but the secondary market has not yet been established, and there is no guarantee that it will be established. There is no assurance that investors on the Parvis Platform will be able to sell their investments or otherwise gain liquidity through the secondary market on the Parvis Platform or otherwise. If investors want to liquidate assets quickly, there is a risk the proceeds realized from such sale would be less than the fair market value of the assets or less than what could be expected to be realized under normal circumstances. Failure to provide sufficient liquidity to investors on the Parvis Platform may negatively affect Parvis' ability to attract customers in the future and may have a material adverse effect on Parvis' business, results from operations, and the value of Resulting Issuer Shares.

Website and Platform

Parvis' website and the Parvis Platform are material elements of Parvis' business. Customers use Parvis' website access Parvis' products and services. Parvis' website is vulnerable to certain risks and uncertainties associated with the Internet, including, without limitation, website downtime and other technical failures, security breaches and consumer privacy concerns. If Parvis cannot successfully maintain its website in good working order this would have a materially adverse effect on the Parvis' business, operating results and financial condition.

Real Property Investment Risks

Real property investments are affected by various factors including changes in general economic conditions (such as the levels of interest rates and the availability of mortgage financing) and in local conditions (such as oversupply of space or a reduction in demand for real estate in the area), the attractiveness of the properties to tenants, competition from other available space and various other factors. The value of real property investments may also depend on the credit and financial stability of the developers. The income of customers investing on Parvis Platform will be influenced by a number of different factors, including economic cycles, inflation, the cost of capital available to real estate developers and operating companies, the level of short- and long-term interest rates, the timing of increases in supply, consumer confidence, investor confidence in competing asset classes, demographic trends, the policies of various levels of government and the economic well-being of industries such as retail and tourism. Negative trends that have an adverse effect on real estate investments may result in a material adverse effect on Parvis' business, results of operations and the value of Resulting Issuer Shares.

The properties that Parvis is proposing to list on the Parvis Platform will be subject to significant expenditures, including maintenance costs, mortgage payments, insurance costs and related property taxes, regardless of whether or not the properties are producing sufficient income to service such expenses. Moreover, the real estate industry is significantly affected by fluctuations in the cost of construction and servicing of land. Any material increase in construction and/or servicing costs may have a material adverse effect on Parvis' business, results of operations and the value of Resulting Issuer Shares.

Properties listed on the Parvis Platform may require building permits, zoning and other approvals from local government agencies. The process of obtaining such approvals may take months, and there can be no assurance that the necessary approvals for any particular project will be obtained. Holding costs accrue while regulatory approvals are being sought, and delays could render future investments uneconomical.

Reliance on Management and Key Employees

Parvis' success is highly dependent on the retention of key personnel both at the parent company level and within its subsidiaries. If Parvis or its subsidiaries should lose the services of one or more key members of its executive or key employees, its ability to implement its business plan could be severely impaired. As the Parvis' business activity grows, additional key financial and administrative personnel, as well as additional staff, may be required. If Parvis and/or its subsidiaries are not successful in attracting, training and retaining qualified personnel, the efficiency of their operations may be affected.

Reliance on Third-Party Service Providers

Parvis relies heavily on third party suppliers and partners to provide its products and services including the Parvis Platform and related services. If these third parties were unable or unwilling to provide these products and services in the future, Parvis would need to obtain such products or services from other providers if they are available. This could cause Parvis to incur additional costs or cause material interruptions to its business until these products and services are replaced if possible and all of which could adversely affect the Parvis' business, results of operations and financial condition.

Among other service providers, Parvis relies on blockchain technology service providers that provide services to Parvis pursuant to services agreements to carry out its operations. These service providers provide Parvis access to platforms that power the critical infrastructure required to operate, bid on, trade and hold real property investments on the Parvis Platform and secondary market made available thereon. In the event that agreements with such service providers are terminated for any reason, Parvis would need to find replacement service providers. While Parvis believes there are a number of other service providers capable of providing replacement services on terms and conditions that would be commercially reasonable, there is no guarantee Parvis would be able to find such service providers and enter into similar agreements on similar terms, or at all. Failure to find suitable replacement service providers could cause Parvis to reduce or terminate its operations, which would have a material adverse effect on the value of Resulting Issuer Shares.

Licences

Parvis' licences are subject to ongoing compliance and reporting requirements. The operations of Parvis may require licences and permits from various governmental authorities in the future. There can be no assurance that Resulting Issuer will be able to obtain all necessary licences and permits that may be required. Failure by Parvis to comply with the requirements of licences or any failure to maintain licences would have a material adverse effect on the business, financial condition and operating results of Parvis.

Decline in the Adoption and Use of Digital Assets

Because digital assets are a relatively new asset class and a technological innovation, they are subject to a high degree of uncertainty. The adoption, growth and longevity of any digital asset, including tokenized interests in real estate development projects and other tokenized interests made available on the Parvis Platform, will require growth in such digital asset's usage and in blockchain technology for various applications. A lack of expansion in use of digital assets and blockchain technologies could have a material adverse effect on the financial performance of Parvis and the value of Resulting Issuer Shares.

Insurance and Uninsured Risks

Parvis' business is subject to a number of risks and hazards generally, including adverse environmental conditions, accidents and changes in the regulatory environment. Such occurrences could result in damage to assets, personal injury or death, damage, delays in operations, monetary losses and possible legal liability. Although Parvis intends to continue to maintain insurance to protect against certain risks in such amounts as it considers to be reasonable, its insurance will not cover all the potential risks associated with its operations. Parvis may also be unable to maintain insurance to cover these risks at economically feasible premiums. Insurance coverage may not continue to be available or may not be adequate to cover any resulting liability. Parvis might also become subject to liability hazards which may not be insured against or which Parvis may elect not to insure against because of premium costs or other reasons. Losses from these events may cause Parvis to incur significant costs that could have a material adverse effect upon its financial performance and results of operations.

Regulation of Blockchain, Crypto Assets and Protocols

The regulatory and legal regimes governing blockchain technologies, crypto assets and decentralized finance protocols across the globe are uncertain and evolving, and new regulations, protocols or policies, including a change of laws, potential bans or restrictions on trading of crypto assets, may materially and adversely affect Parvis and its ability to generate revenue.

Inability to Attract New Customers or Sell Additional Product or Service Offerings

To increase revenue and achieve and maintain profitability, Parvis must regularly add new customers and sell additional products and services to existing customers. Various factors may prevent the Parvis' ability to add such new customers and retain existing customers, including, without limitation the Parvis' failure to attract, retain and effectively train new sales and marketing personnel, to develop and maintain relationships with professional contractors, partners and suppliers, to ensure the effectiveness of the Parvis' marketing programs, to secure high quality products and services at competitive prices and to convert customers referred to Parvis by its existing network into paying customers. In addition, if prospective customers do not perceive that the Parvis' products and services are of sufficiently high value and quality, Parvis may not be able to attract the number and types of new customers that Parvis is seeking. The failure of Parvis to attract new customers or to obtain new business from existing clients may mean that Parvis will not increase its revenues as quickly as is anticipated, if at all.

Brand Development

The success of the Parvis' brand depends on the effectiveness of Parvis' marketing efforts and on Parvis' ability to provide reliable products, services and support to customers at competitive prices. Parvis' brand marketing strategies may not yield increased revenues, and even if they do, any increased revenues may not offset the expenses incurred in Parvis' attempts to build its brand. There can be no assurance that advertising and promotional expenditures will result in revenues in the future or will generate awareness of Parvis' products and services. If Parvis fails to effectively market its brand, Parvis may fail to attract new customers, retain existing customers or attract sufficient media coverage in order to realize a sufficient return on branding efforts. A failure in brand development and marketing may result in a negative impact on Parvis' business and potential revenues.

Product and Services Development

Parvis may not be able to improve the content and delivery of the Parvis Platform in a timely or cost-effective manner. Parvis is updating and improving the Parvis Platform to meet changing market demands. Revisions to the Parvis Platform may not be well received by existing or prospective customers. Furthermore, modifying the Parvis Platform may require Parvis to invest in content development, increase marketing efforts and re-allocate resources away from other uses. Even if Parvis' new features or services are well received, Parvis could suffer adverse results if these new features and services are not offered to customers in a timely or cost-effective manner. If Parvis does not respond adequately to changes in market demands, then Parvis' ability to attract and retain customers may be impaired and financial results could suffer.

Technology Risk

Parvis' products and services are dependent upon advanced technologies which are susceptible to rapid and substantial changes. There can be no assurance that Parvis' products and services will not be seriously affected by, or become obsolete as a result of, such technological changes. Further, Parvis' services and products are constantly under revision and development and there can be no assurance that Parvis' efforts will result in viable commercial products or services as conceived by Parvis. There is a risk that similar products which may include features more appealing to customers may be developed and that other products competing with the Parvis Platform may use technologies not yet incorporated in the Parvis Platform. The occurrence of any of these events could negatively impact interest in the Parvis Platform or other Company services and thus limit the potential revenues to be generated by Parvis.

Technical Operations Infrastructure Risk

Parvis seeks to maintain sufficient excess capacity in its operations infrastructure to meet the needs of all of its customers and to facilitate the development of the Parvis Platform to account for a growing and diverse customer base. In addition, Parvis needs to properly manage its technological operations infrastructure in order to support changes in hardware and software parameters and the evolution of its products and services. Despite the fact that Parvis has taken a number of steps to allow its infrastructure to handle significant increases in demand, it may in the future experience website disruptions, outages and other performance problems. These problems may be caused by a variety of factors, including but not limited to: infrastructure changes; human or software errors; viruses; security attacks; fraud; spikes in customer usage; and denial of service issues. In some instances, Parvis may not be able to identify the cause or causes of these performance problems within an acceptable period of time, which may harm Parvis' reputation and operating results. Furthermore, although Parvis has a number of disaster recovery measures in place, if it does not accurately predict its infrastructure and resource requirements, its existing customers may experience service outages that may subject Parvis to financial penalties, financial liabilities and customer losses. If Parvis' operations infrastructure fails to keep pace with an increased customer base, customers may experience delays which could adversely affect Parvis' reputation and its revenue.

Smart Contract Risk

Blockchain introduces new ways to trade real estate by embedding smart contracts in traditional real estate assets that enable Parvis to support real estate transactions in a seamless manner. Certain protocols with which the Parvis Platform will integrate depend upon the development and deployment of smart contracts, which are self-executing contracts with the terms of the agreement written into software code. Like all software code, smart contracts are exposed to risk that the code contains a bug or other security vulnerability, which can lead to loss of assets that are held on or transacted through the contract. Total loss of any digital assets on the Parvis Platform due to smart contract malfunctions or security breaches, or the perceived risk thereof, may negatively effect on the Parvis' ability to attract or retain customers and may have a material adverse effect on the Parvis' business and results from operations and the value of Resulting Issuer Shares.

Tokenization Transactions are Irreversible and may Result in Significant Losses

Tokenization transactions are irreversible, and any assets that are stolen or incorrectly transferred between parties may be irretrievable. Once a transaction has been validated by nodes on the network and recorded on the Parvis Platform, there is no reasonable method by which to retrieve those assets without the direct cooperation of the entity receiving the asset. In the event of theft, there will be no recourse available to restore ownership of stolen assets. An incorrectly placed tokenization transaction cannot be reversed, which will result in the permanent loss of assets.

Cybersecurity

Parvis relies on digital and internet technologies to conduct and expand its operations, including reliance on information technology to process, transmit and store sensitive and confidential data, including personally identifiable information, and proprietary and confidential business performance data. As a result, Parvis and/or its customers will be exposed to risks related to cybersecurity. Such risks may include unauthorized access, use, or disclosure of sensitive information (including corruption or destruction of data, or operational disruption resulting from system impairment (e.g., malware). Third parties to whom Parvis outsources certain functions, or with whom their systems interface, are also subject to the risks outlined above and may not have or use appropriate controls to protect confidential information. A breach or attack affecting a third-party service provider or partner could harm the Parvis' business even if Parvis does not control the service that is attacked. The Parvis' operations depend, in part, on how well it protects networks, equipment, information technology systems and software against damage from a number of threats, including, but not limited to damage to hardware, computer viruses, hacking and theft. The Parvis' operations also depend on the timely maintenance, upgrade and replacement of networks, equipment, information technology systems and software, as well as pre-emptive expenses to mitigate the risks of failures. A compromise of the Parvis' information technology or confidential information, or that of the Parvis' third parties with whom Parvis interacts, may result in negative consequences, including reputational harm affecting investor and customer confidence, potential liability under privacy, security, consumer protection or other applicable laws, regulatory penalties and additional regulatory scrutiny, any of which could have a material adverse effect on the Parvis' business, financial position, results of operations or cash flows. As Parvis

has access to sensitive and confidential information, including personal information, and since Parvis may be vulnerable to material security breaches, theft, misplaced, lost or corrupted data, programming errors, employee errors and/or malfeasance (including misappropriation by departing employees), there is a risk that sensitive and confidential information, including personal information, may be disclosed through improper use of Resulting Issuer systems, software solutions or networks or that there may be unauthorized access, use, disclosure, modification or destruction of such information. The Parvis' ongoing risk and exposure to these matters is partially attributable to, among other things, the evolving nature of these threats. As a result, cybersecurity and the continued development and enhancement of controls, processes and practices designed to protect systems, computers, software, data and networks from attack, damage, malfunction, human error, technological error or unauthorized access is a priority. As cyber threats continue to evolve, Parvis may be required to expend additional resources to continue to modify or enhance protective measures or to investigate and remediate any security vulnerabilities.

Misuse of Digital Assets and Malicious Actors

Since the existence of digital assets, there have been attempts to use them for speculation or malicious purposes. Although lawmakers increasingly regulate the use and applications of digital assets, and software is being developed to curtail speculative and malicious activities, there can be no assurance that those measures will sufficiently deter those and other illicit activities in the future. Advances in technology, such as quantum computing, could lead to a malicious actor or botnet (a voluntary or hacked collection of computers controlled by networked software coordinating the actions of the computers) being able to alter the blockchain on which digital asset transactions on Parvis Platform rely. In such circumstances, the malicious actor or botnet could control, exclude or modify the ordering of transactions, or generate new digital assets or transactions, using such control. Such changes could adversely affect the Parvis' business, results from operations and the value of Resulting Issuer Shares.

The security procedures and operational infrastructure of Parvis may be breached due to the actions of outside parties or malfeasance of an employee of Parvis. Additionally, outside parties may attempt to fraudulently induce employees of Parvis to disclose sensitive information in order to gain access to the infrastructure of Parvis. As the techniques used to obtain unauthorized access, disable or degrade service, or sabotage systems change frequently, or may be designed to remain dormant until a predetermined event, and often are not recognized until launched against a target, Parvis may be unable to anticipate these techniques or implement adequate preventative measures. In the event of an actual or perceived breach of the Parvis Platform, the market perception of the effectiveness of the Parvis' security protocols could be harmed, and the value of Resulting Issuer Shares could be materially adversely affected.

Intellectual Property

From time to time, Parvis may receive notices from third parties alleging that it has infringed their intellectual property rights or may need to pursue claims against third parties to defend its intellectual property rights. Responding and/or pursuing any such claim, regardless of its merit in the event of a defence of such claim, may be time-consuming, result in costly litigation, divert management's attention and resources and cause Parvis to incur significant expenses. Any meritorious claim of intellectual property infringement against Parvis may potentially result in a temporary or permanent injunction, prohibiting it from marketing or selling certain products or requiring it to pay royalties to a third party. In the event of a meritorious claim or the inability of Parvis to develop or license substitute technology, its business and results of operations may be materially adversely affected. The laws of certain countries do not protect proprietary rights to intellectual property to extent as do the laws of Canada, and therefore there can be no assurance that Parvis will be able to adequately protect its intellectual property against unauthorized third party copying or use. Such unauthorized copying or use may adversely affect the Parvis' competitive position and operations. In addition, there can be no assurance that Parvis will successfully obtain licences to any technology that it may require to conduct its business or that, if obtainable, such technology can be licensed at a reasonable cost.

The Parvis' operations depend, in part, on how it makes use of certain open source software products. These open source software products are developed by third parties over whom Parvis has no control. Parvis could be exposed to infringement claims and liability in connection with the use of these open source software components, and Parvis may be forced to replace these components with internally developed software or software obtained from another supplier, which may increase its expenses. Parvis has conducted no independent investigation to determine whether the sources

of the open source software have the rights necessary to permit Parvis to use this software free of claims of infringement by third parties. The developers of open source software may be under no obligation to maintain or update that software, and Parvis may be forced to maintain or update such software itself or replace such software with internally developed software or software obtained from another supplier, which may increase its expenses and delay enhancements to the Parvis' services. Certain open source software licences provide that the licensed software may be freely used, modified and distributed to others provided that any modifications made to such software, including the source code to such modifications, are also made available under the same terms and conditions. As a result, any modifications Parvis makes to such software may be made available to all downstream users of the software, including its competitors. Open source software licences may require Parvis to make source code for the derivative works available to the public. In the event that Parvis inadvertently uses open source software without the correct licence form, or a copyright holder of any open source software were to successfully establish in court that Parvis had not complied with the terms of a licence for a particular work, we could be required to release the source code of that work to the public. Parvis could also incur costs associated with litigation or other regulatory penalties as a result.

Conflicts of Interest

Certain of the directors and/or officers of Parvis may be engaged in a range of business activities, (including certain officers, directors and consultants that provide services to other companies involved in ecommerce) and may also serve as directors and/or officers of other companies. The Parvis' executive officers, directors and consultants may devote time to their outside business interests, so long as such activities do not materially or adversely interfere with their duties to Parvis. In some cases, the Parvis' executive officers, directors and consultants may have fiduciary obligations associated with these business interests that interfere with their ability to devote time to the Parvis' business and affairs and that could adversely affect the Parvis' operations. These business interests could require significant time and attention of the Parvis' executive officers, directors and consultants. In addition, Parvis may also become involved in other transactions which conflict with the interests of its directors, officers and consultants who may from time to time deal with persons, firms, institutions or corporations with which Parvis may be dealing, or which may be seeking investments similar to those desired by it. Consequently, the interests of these persons could conflict with those of Parvis and such interests could interfere with these persons' ability to devote time to the Parvis' business and affairs and that could adversely affect the Parvis' operations. Conflicts of interest, if any, will be subject to the procedures and remedies provided under applicable laws and any decision made by any of such directors and officers involving Parvis are subject to their duties and obligations to act honestly, in good faith and in the best interests of Parvis.

Additional Financing

Parvis may require additional equity and/or debt financing in the future and no assurance can be given that such capital will be available on terms commercially acceptable to Parvis or at all. Accordingly, depending on its ability to achieve the goals set out in its business plan, Parvis may need to raise further equity and/or debt financing to fund its operations and execute on its business plan. The Parvis' inability to raise financing to support ongoing operations or acquisitions could limit its growth, result in the delay or indefinite postponement of current business objectives and may have a material adverse effect upon future profitability. 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 the Parvis' shareholders. Further, due to regulatory impediments and lack of investor appetite, the ability of Parvis to issue additional securities to finance acquisitions may be restricted. 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 Parvis to obtain additional capital and to pursue business opportunities, including potential acquisitions. If Parvis requires additional financing and is unable to obtain it, there may be a possibility that it will not be able to fund its operations and execute on its business plan, which would have a materially adverse effect on its business, operating results and financial condition.

Global Financial Conditions

Current global financial conditions have been subject to increased volatility and access to financial markets has been severely restricted. These factors may impact the ability of Parvis to obtain equity or debt financing in the future and, if obtained, on terms favourable to Parvis. If these increased levels of volatility and market turmoil continue, the Parvis'

operations could be adversely impacted and the value and the price of Resulting Issuer Shares could continue to be adversely affected.

Events in the global financial markets in the past several years, including in relation to the COVID-19 pandemic, the war in Ukraine, and other causes of social, political, and economic turmoil, have had a profound and lasting impact on the global economy. Some of the key effects of financial market turmoil include contraction in credit markets resulting in a widening of credit risk, devaluations, high volatility in global equity, commodity and foreign exchange, and a lack of market liquidity. A similar slowdown in the financial markets or other economic conditions, including but not limited to, inflation, fuel and energy costs, available credit, the state of the financial markets, interest rates and tax rates, may adversely affect the Parvis' operations. Specifically, a global credit/liquidity crisis and inflation and interest rate hikes could impact the cost and availability of financing and overall liquidity. Energy, commodity and consumables prices and currency exchange rates could impact costs, and the devaluation and volatility of global stock markets could impact the valuation of the Parvis' equity and other securities. These factors could have a material adverse effect on the Parvis' financial condition and results of operations.

History of losses and negative operating cash flows

Parvis has a history of losses and negative operating cash flows. Parvis will incur further expenses in the establishment of its business. Although Parvis intends to generate profit and positive operating cash flows in the future, there are no guarantees that it will be able to do so. The success of Parvis will ultimately depend on its ability to compete in a highly competitive market.

Management of Growth

The growth of the Parvis' operations has placed significant demands on managerial, financial and human resources. The Parvis' ability to continue its rate of growth will depend on a number of factors, including the availability of capital, existing and emerging competition and the ability to recruit and train additional qualified personnel. Moreover, as the Parvis' business grows, Parvis will need to devote additional resources to improve its operational infrastructure and to maintain the performance of its business.

Risks Associated with Acquisitions

Parvis may acquire additional businesses. Acquisitions involve a number of known and unknown risks, including diversion of management's attention, failure to retain key acquired personnel, legal liabilities, risk associated with the realization of synergies and overall integration of the Parvis' operations with the acquired business and unanticipated events or circumstances, some or all of which could have a material adverse effect on the business, results of operations and financial condition of Parvis. In addition, there can be no assurance that Parvis can complete any acquisition it pursues on favourable terms, that any acquired businesses, products or technologies will achieve anticipated revenues and income, or that any acquisitions completed will ultimately benefit the business. An acquisition could also result in a potentially dilutive issuance of equity securities. The failure of Parvis to successfully manage its strategy of growth through acquisitions could have a material adverse effect on the Parvis' business, results of operations and financial condition.

Tax Risk

Parvis will be considered to have been carrying on business in Canada for purposes of the ITA. However Parvis will be operating in a new and developing industry that has had historically low regulations and tax compliance. There is risk that the Canadian government and foreign governments may look to increase their tax revenues or levy additional taxes. While Parvis does not foresee any adverse tax effects, there is no guarantee that governments will not impose such additional adverse taxes in the future.

Competitive Markets

Parvis will face competition and new competitors will continue to emerge throughout the world. Products and services to be offered by competitors of Parvis may take a larger market share than anticipated, which could cause the Parvis' performance to fall below expectations. It is expected that competition in the real estate investment platform and financial technology environment will intensify. If competitors of Parvis develop and market more successful products or services, offer competitive products or services at lower price points, have a higher capitalization, more experienced management, or more mature as a business or if Parvis does not produce consistently high-quality and well-received products and services, revenues, margins and profitability of Parvis will decline.

In addition, the success of Parvis is subject to its ability to anticipate and forecast changes in trends and consumer preferences and continuously manage its products and services offerings. There can be no assurance that Parvis will be able to continue to maintain its inventory strategies and stock of the appropriate assortment of products. To the extent the Parvis' predictions differ from its customers' purchasing preferences, Parvis may be faced with excess inventory for some products and/or shortages of other products. Low inventory levels can adversely affect our ability to meet customer demand, which may lead to lost revenue and diminished brand loyalty. Any sustained failure to anticipate, identify and respond to emerging trends in consumer preferences could have a material adverse effect on the Parvis' business, operating results and financial condition.

Uncertainty and Adverse Changes in the Economy

Adverse changes in the economy or a decline in the price of Resulting Issuer Shares could negatively impact the business of Parvis. Future economic distress may result in a decrease in demand for the products and services of Parvis, which could have a material adverse impact on the Parvis' operating results and financial condition. Uncertainty and adverse changes in the economy or a prolonged decline in the price of Resulting Issuer Shares could also increase costs associated with the sourcing of products, increase the cost and decrease the availability of sources of financing, and increase the Parvis' exposure to material losses from bad debts, any of which could have a material adverse impact on the financial condition and operating results of Parvis. Because a significant portion of Parvis' operations have been and are expected in future to be financed through the sale of equity securities, a decline in the price of Resulting Issuer Shares could be especially detrimental to Parvis' liquidity and its operations. Such reductions may force Parvis to reallocate funds from other planned uses and may have a significant negative effect on Parvis' business plan and operations, including its ability to repay outstanding obligations, to develop new products and continue its current operations.

Catastrophic events in general can have a material impact on the potential continuity of the business. The COVID-19 outbreak and other pandemic outbreaks, wars and other political and social strife could result in adverse effects on the business and operations, including but not limited to business disruption, reduced operations, of Parvis and its third-party service providers which could materially affect our business, financial condition and results of operations. The spread of COVID-19, which has caused a broad impact globally, may materially affect Parvis economically. While the potential economic impact brought by, and the duration of, COVID-19 may be difficult to assess or predict, a widespread pandemic could result in significant disruption of global financial markets, reducing the Parvis' ability to access capital, which could in the future negatively affect our liquidity. The global outbreak of COVID-19 continues to evolve rapidly. The extent to which COVID-19 may impact the Parvis' business, operations and financial performance will depend on future developments, including but not limited to, matters such as (a) the duration and/or severity of the outbreak, (b) government policies, restrictions and requirements as it relates to COVID-19, (c) nongovernmental influences or challenges such as the failure of banks and/or (d) any corresponding effect caused by the substantial economic damage that can be inflicted by a pandemic like COVID-19. The ultimate long-term impact of COVID-19 is highly uncertain and cannot be predicted with confidence.

Failure to Comply with Anti-Bribery Laws

Parvis is subject to the Corruption of Foreign Public Officials Act (Canada) ("CFPOA"), which generally prohibits companies and company employees from engaging in bribery or other prohibited payments to foreign officials for the purpose of obtaining or retaining business. The CFPOA also requires companies to maintain accurate books and records and internal controls, including at foreign controlled subsidiaries. In addition, Parvis may become subject to other anti-bribery laws of any nations in which it conducts business that apply similar prohibitions as the CFPOA and

FCPA (e.g. the United States Foreign Corrupt Practices Act or the Organization for Economic Co-operation and Development Anti-Bribery Convention). Parvis' employees or other agents may, without Parvis' knowledge and despite Parvis' efforts, engage in prohibited conduct under Parvis' policies and procedures and the CFPOA or other anti-bribery laws to which Parvis may be subject for which Parvis may be held responsible. If Parvis' employees or other agents are found to have engaged in such practices, Parvis could suffer severe penalties and other consequences that may have a material adverse effect on Parvis' business, financial condition and results of operations.

Litigation

Parvis may become party to litigation from time to time in the ordinary course of business which could adversely affect its business. Monitoring and defending against legal actions, whether or not meritorious, can be time-consuming, divert management's attention and resources and cause Parvis to incur significant expenses. In addition, legal fees and costs incurred in connection with such activities may be significant and Parvis could, in the future, be subject to judgments or enter into settlements of claims for significant monetary damages. Substantial litigation costs, even if Parvis wins, or an adverse result in any litigation may adversely affect Parvis' ability to continue operating and the market price for Resulting Issuer Shares and could use significant resources.

Environmental Laws and Employee Health and Safety Regulations

Parvis' operations are subject to environmental and safety laws and regulations concerning, among other things, employee health and safety. Failure to comply with environmental and safety laws and regulations may result in additional costs for corrective measures, penalties or in restrictions on Parvis' operations. In addition, changes in environmental, employee health and safety or other laws, more vigorous enforcement thereof or other unanticipated events could require extensive changes to Parvis' operations or give rise to material liabilities, which could have a material adverse effect on Parvis' business, results of operations and financial condition.

Difficulty to Forecast

Parvis 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 Parvis.

Currency Fluctuations

Because Parvis' proposed operations and intention is to have future operations that may rely in part on service providers outside Canada, Parvis is expected to be exposed to currency fluctuations. Recent events in the global financial markets have been coupled with increased volatility in the currency markets. Fluctuations in the exchange rate between the Canadian dollar and other currencies may have a material adverse effect on the Parvis' business, financial condition and operating results. Parvis may, after completion of the Business Combination, expand operations globally so it may be subject to additional gains and losses against additional currencies. Parvis does not currently have a foreign exchange hedging program in place. In the future, Parvis may establish a program to hedge a portion of its foreign currency exposure with the objective of minimizing the impact of adverse foreign currency exchange movements. However, even if Parvis develops a hedging program, it may not hedge its entire exposure to any one foreign currency and it may not hedge its exposure at all with respect to certain foreign currencies.

Voting Control

Certain shareholders of Parvis exercise a significant portion of the voting power in respect of the outstanding common shares of Parvis. As a result, they are expected to have the ability to influence the outcome of all matters submitted to Parvis' shareholders for approval, including the election and removal of directors and any arrangement or sale of all or substantially all of the assets of Parvis. This concentrated control could delay, defer, or prevent a change of control of Parvis, arrangement or amalgamation involving Parvis or sale of all or substantially all of the assets of Parvis that its

other shareholders support. Conversely, this concentrated control could allow the holders of Common Shares to consummate such a transaction that Parvis' other shareholders do not support.

Termination of Key Agreements

In the event that any key agreements or any other material agreements are terminated, the payment of penalties or fees by Parvis may be required. The payment of any such penalties or fees or the termination of such contracts could have a material adverse effect on the business, financial position or results of operation of Parvis or the value of the Parvis' securities.

Force Majeure

The occurrence of a significant event which disrupts the ability of Parvis to produce or sell its products may have a material adverse effect on the business, financial position or results of operations of Parvis or the value of the Parvis' securities.

Risks Associated with Internal Controls over Financial Reporting

Effective internal controls are necessary for Parvis to provide reliable financial reports and to help prevent fraud. Although Parvis has undertaken a number of procedures and implemented a number of safeguards, in each case, in order to help ensure the reliability of its financial reports, including those imposed on Parvis under Canadian securities law, Parvis cannot be certain that such measures will ensure that Parvis will maintain adequate control over financial processes and reporting. Failure to implement required new or improved controls, or difficulties encountered in their implementation, could harm Parvis' results of operations or cause it to fail to meet its reporting obligations. If Parvis or its auditors discover a material weakness, the disclosure of that fact, even if quickly remedied, could reduce the market's confidence in Parvis' consolidated financial statements and materially adversely affect the trading price of Resulting Issuer Shares.