

Risk Factors

General Risks

Purchases of PPP Tokens should only be made after consulting with independent and qualified sources of financial and tax advice. A purchase of PPP Tokens at this time is highly speculative due to the stage of the Corporation's development, and involves a high degree of risk.

In addition to factors set forth elsewhere in this Whitepaper, potential purchasers should carefully consider the following risk factors, many of which are inherent to the ownership of the PPP Tokens. A purchase of the PPP Tokens involves various risks and uncertainties. The risks discussed in this Whitepaper can adversely affect the Corporation's proposed operations, operating results, prospects and financial condition. This could cause the value of the PPP Tokens to decline and cause purchasers to lose their ability to utilize the PayPie Platform and lose part or all of their purchase price. In addition to those set out below and elsewhere in this Whitepaper, other material risks and uncertainties of which the Corporation are not presently aware may also harm the Corporation's business activities. Following is a summary only of the material risk factors involved in a purchase of PPP Tokens. Prospective purchasers should review the risks with their legal and financial advisors.

1 Purchase Risks

(1) *Highly Speculative*

The purchase of PPP Tokens is highly speculative. A potential purchaser should purchase PPP Tokens only if able to bear the risk of the entire loss of their purchase. The purchase of PPP Tokens as an investment should not constitute a significant portion of a subscriber's investment portfolio.

(2) *Loss of Purchase Price*

A purchase of PPP Tokens is appropriate only for purchasers who have the capacity to absorb a loss of some or all of the amount of the purchase price.

(3) *Regulatory Review*

This Whitepaper under no circumstances is to be construed as a public offering, prospectus or an advertisement of securities. Purchasers will not have the benefit of a review of the material by any regulatory authority.

(4) *Decrease in Value*

There is no guarantee that PPP Tokens will appreciate in value in the short or long-term. The value of the PPP Tokens may increase or decrease depending on market, economic, political, regulatory and other conditions affecting the Corporation. Prospective purchasers purchasing PPP Tokens as an investment should consider that purchases of PPP Tokens may be more volatile and risky than some other forms of investments, and that a purchase of PPP Tokens fits within the overall context of their investment policies.

(5) *Other Methods of Distribution*

PayPie may distribute additional PPP Tokens through the following mechanisms, each of which could result

in both a decrease in the value of the PPP Tokens and in certain purchasers and other recipients purchasing them on more advantageous terms:

- *Additional Direct Sales.* In the event that PayPie determines that the PPP Tokens are reasonably treated as non-securities or an applicable prospectus exemption applies, the Corporation may sell additional PPP Tokens directly.
- *Issuances to Founders and Existing Holders.* PayPie may offer additional PPP Tokens to existing PPP Token holders for consideration less than PPP Tokens issued through the Offering, based on an external valuation of PPP Tokens as they exist today.
- *Sales and Giveaways to Other Employees or Contractors.* PayPie may provide the PPP Tokens as a form of bonus or compensation to employees and contractors, either for free or for a reduced price.
- *Giveaways.* To encourage use and development of the PayPie Platform, PayPie may provide PPP Tokens as rewards to users of the PayPie Platform for certain activities.

Some of these sales and distributions have occurred or may occur at a substantial discount to the amount paid by purchasers of PPP Tokens under the Offering and/or may result in other terms that are more advantageous to certain purchasers and recipients.

In addition, PayPie may sponsor other types of offerings or distributions of the PPP Tokens in the future. These methods of distribution may further decrease the value of the Tokens or be offered on more advantageous terms.

(6) *Increase in the Supply of Tokens*

The Corporation may increase the total supply of PPP Tokens after it implements and deploys the PayPie Platform. The total number of Tokens released, and the amount in existence at any point in time, will affect the value of your Tokens and any increase in the total number of Tokens released may decrease that value significantly. PayPie does not currently anticipate that it will need to increase the existing supply of PayPie Tokens.

2. Risks Relating to the Corporation

(1) *Additional Funding*

PayPie may require significant amounts of capital and financing to fund its planned development. Significant additional financing in excess of that available from the Offering may be required to meet the financing requirements of PayPie. This risk may increase depending on the number of PPP Token holders who exercise the rescission rights and restoration of prescribed losses, as described in the accompanying letter.

In the event that PayPie is unable to raise sufficient funds by way of other financings or corporate collaborations, PayPie will have insufficient funds available to implement its business plan. In addition, PayPie may be required to delay, reduce the scope of, eliminate or divest one or more of its projects. There is significant risk that additional financing may not be available or may not be available on satisfactory terms. Failure to access future financing may adversely affect the Corporation's operations and the execution of its business plan resulting in a decrease in the value of the PPP Tokens.

(2) *General Business Risks*

PayPie is a small company with limited financial resources and competes with larger companies with greater financial resources. It relies on the integration with ERP and accounting platforms, industry relationships, continued growth of cryptocurrency market, and creativity of its staff and contractors. PayPie may face challenges in executing on the business plan.

(3) *Early Stage Development*

PayPie is at an early stage of development and subject to start-up risks, including startup losses, lack and uncertainty of revenues, markets and profitability and the possible need to raise additional funding. If the Corporation cannot adequately anticipate and respond to such start-up risks, it may fail to fully develop the PayPie Platform resulting in a decrease in value of the PPP Tokens.

(4) *Changes to Platform and Tokens*

The Corporation has issued the PPP Tokens before the PayPie Platform is fully developed. The Corporation may not be able to develop the PayPie Platform in the form and manner contemplated at the time the PPP Tokens were issued. As a result, the terms and features of the PayPie Platform may be substantially different than anticipated at the time of the issuance of the PPP Tokens which may adversely affect the value of the PPP Tokens.

(5) *Potential Fluctuations in Financial Results*

In the future, if PayPie’s expected revenues are not realized on a timely basis as anticipated, financial results could be materially adversely affected which in turn could adversely affect the development of the PayPie Platform and the value of the PPP Tokens.

(6) *Reliance on Key Personnel*

PayPie will depend on a number of key employees, the loss of any one of whom could have an adverse effect on PayPie, and the expertise of PayPie Canada under the Master Services Contracts. The death or disability of these key employees or the inability of PayPie Canada to continue providing services under the Master Services Contracts may have a significant and adverse effect on the development of the PayPie Platform. There can be no assurance that any of PayPie’s employees will remain with PayPie or that, in the future, the employees will not organize competitive businesses or accept employment with companies competing with PayPie.

(7) *Management of Growth*

Any expansion of PayPie’s business may place a significant strain on its financial, operational and managerial resources. There can be no assurance that PayPie will be able to implement and subsequently improve its operations and financial systems successfully and in a timely manner in order to manage any growth it experiences. There can be no assurance that PayPie will be able to manage growth successfully. Any inability of PayPie to manage growth successfully could have a material adverse effect on the development of the PayPie Platform and the value of the PPP Tokens.

(8) *Conflicts of Interest*

PayPie’s directors and officers may serve as directors or officers of other companies or companies providing services to PayPie or they may have significant shareholdings in other companies. Situations may arise where the directors and/or officers of PayPie may be in competition with PayPie. Any conflicts of interest will be subject to and governed by the law applicable to directors’ and officers’ conflicts of interest. In the event that such a conflict of interest arises at a meeting of PayPie’s directors, a director who has such a conflict will abstain from voting for or against the approval of such participation or such terms. In accordance with applicable laws, the directors of PayPie are required to act honestly, in good faith and in the best interests of PayPie.

(9) *Management Experience*

The PayPie Platform represents a new business venture for PayPie’s management team (“**Management**”). Further, crypto assets and utility tokens, such as the PPP Tokens, are a new and untested technology. While Management has prior business experience, this is Management’s first business venture focused on distributed ledger technology or financial risk assessment. Accordingly, Management’s past successes do not guarantee future outcomes or the long-term success of the PayPie Platform.

(10) *Intellectual Property Rights*

The business of PayPie will be heavily based on protection of intellectual property rights. If another party makes claims to the intellectual property rights of PayPie, or if a third party infringes upon the intellectual property rights of PayPie, considerable expenses or losses may follow adversely affecting the development of the PayPie Platform.

(11) *Ceasing Operations*

There is no guarantee that PayPie will continue as a viable company. The utility and value of the PPP Tokens and the PayPie Platform depend on PayPie's success and support of the PayPie Platform. If PayPie ceases operations, dissolve, winds up or liquidates pursuant to the laws of Barbados and goes out of business, you may lose 100% of the value of your PPP Tokens.

3. Risks Relating to the Industry

(1) *Government Regulations*

Legislative and regulatory changes or actions at the provincial, federal, or international level may adversely affect the use, transfer, exchange, and value of the PPP Tokens. In addition to the regulatory uncertainty of the PPP Tokens, the regulatory status of the PPP Tokens and similar crypto assets is unclear or unsettled in many jurisdictions. It is difficult to predict how or whether regulatory agencies may apply existing or new regulation with respect to such technology and its applications, including the PPP Tokens and the PayPie Platform. Further, it is difficult to predict how or whether legislatures or regulatory agencies may implement changes to law and regulation affecting distributed ledger technology and its applications, including the PPP Tokens and the PayPie Platform. Regulatory actions could negatively impact the PPP Tokens and the PayPie Platform in various ways, including, for example, through a determination that the PPP Tokens are a regulated financial instrument required to be registered with the appropriate regulatory agency.

While PayPie believes that it is in compliance with applicable law, changes in the law by legislators and regulatory agencies could negatively impact the PPP Tokens and the PayPie Platform. PayPie may cease operations in a jurisdiction in the event that regulatory actions, or changes to law or regulation, make it illegal or commercially undesirable to operate in such jurisdiction.

Further, based on current and anticipated use of the PPP Tokens and the PayPie Platform, PayPie believes that the PPP Tokens are reasonably be treated as non-securities for purposes of securities law in Canada and abroad when platform launches. In particular, PayPie believes that successful deployment and user adoption of the PayPie Platform means that the PPP Tokens are mainly used for commercial transactions, which cause the PPP Tokens to take on additional characteristics of non-securities.

There is no guarantee that a regulator will agree with PayPie's analysis. If a regulator disagrees, PayPie may need to make significant changes with respect to how the PPP Tokens are structured, how they are purchased and sold, and other issues, which could greatly increase PayPie's costs in operating its business. This development could also lead to the termination of the use of PPP Tokens. Further, a regulator could take action against PayPie if it views PayPie and/or the PPP Tokens as being out of compliance with the law. Any of these outcomes would negatively affect the value of the PPP Tokens.

Further, PayPie does not intend to operate in jurisdictions that require a license to conduct a virtual currency business. If you are a resident of a state that requires a license to conduct a virtual currency business, PayPie will not allow you to purchase or utilize PPP Tokens. If PayPie were deemed to be conducting an unlicensed virtual currency business, it would be subject to significant additional regulation and/or regulatory consequences. This could lead to significant changes with respect to the PayPie Platform, how the PPP Tokens are structured, how they are purchased and sold, and other issues, and would greatly increase PayPie's costs in creating and facilitating transactions in the PPP Tokens. It could lead to a decrease of the value or termination of the PPP Tokens.

(2) *Political and Economic Climate*

Barbados and the Province of British Columbia, Canada, each present social, economic and political conditions that are reasonably stable. However, the Barbados, British Columbia or federal Canadian government could implement legislation and policies that would have an adverse effect on the value of the PPP Tokens. Examples of such policies are tax reform or other adverse economic and/or monetary policies, or adverse regulation of cryptocurrencies.

a. Risks Relating to the Technology

(1) *Private Keys*

PPP Token balances are associated with your Ethereum public key address, which is in turn associated with your PPP Token private key address. You are responsible for knowing your private key address and keeping it a secret. Because a private key, or a combination of private keys, is necessary to control and dispose of PPP Tokens stored in your digital wallet or vault, the loss of one or more of your private keys associated with your digital wallet or vault storing the Tokens will result in the loss of your PPP Tokens. Moreover, any third party that gains access to one or more of your private keys, including by gaining access to login credentials of a hosted wallet service you use, may be able to misappropriate your PPP Tokens. PayPie will never ask you for your private key address, and you should never share them with someone you do not know.

Token holders may have to transfer PPP Tokens to the wallet or smart contract addresses provided by PayPie during the utility of the platform. PayPie may implement concept of hot and cold wallets. Despite all reasonable security measures being introduced by PayPie, loss or destruction of private keys by PayPie or a purchaser of PayPie Tokens is irreversible.

You are responsible for educating yourself on protecting your personally identifiable information and on cybersecurity best practices. While the Corporation will take steps that are commercially reasonable and customary to prevent or mitigate the impact of cyber attacks, there can be no guarantee that the Corporation will be successful in preventing all cyber attacks on its systems. Holders of crypto assets and utility tokens can be targeted by hackers, and holders' private keys can be stolen.

(2) *Ethereum Blockchain*

The Ethereum blockchain is new and as such has inherent risks associated with it. The blockchain could experience times of uncertainty. The Ethereum blockchain could experience slow transaction speed, fork or be subject to a DOS attack. This could lead to disruptions of the Network and could negatively affect the PPP Tokens, their functionality, and their value.

(3) *Value of ETH*

It is possible that the value of Ether (ETH) could drop significantly in the future, depriving PayPie of sufficient resources to continue to operate. In order to guard against this risk, PayPie from time to time will convert a portion of the ETH proceeds of the Offering into other digital assets or coins or national fiat currency.

(4) *Hackers*

Hackers and other groups may attempt to steal ETH revenue collected from the Offering, thus impacting the ability of PayPie to develop and operate the PayPie Platform. PayPie has and will implement comprehensive security precautions to safeguard the ETH from the sale of PPP Tokens.

(5) *Cyber Attacks*

The PayPie Platform and Ecosystem is susceptible to a number of risks related to the storage of large amounts of sensitive and/or proprietary information, which may be compromised in the event of a cyberattack or other malicious activity. Similarly, the services provided by the PayPie Platform and Ecosystem may be interrupted or become temporarily unavailable in the event of such an attack or malicious activity. Because users can use a variety of hardware and software that may interface with the PayPie Platform and Ecosystem, there is risk that the PayPie Platform and Ecosystem may become unavailable or interrupted based on a failure of interoperability or an inability to integrate these third-party systems and devices that PayPie does not control with the PayPie Platform and Ecosystem. The risk that the PayPie Platform and Ecosystem may face increasing interruptions and the PayPie Platform may face additional security vulnerabilities could adversely affect the PayPie Platform and therefore the future value and utility of any PPP Tokens held by purchasers.

(6) *Forks*

PayPie Platform could at any time “fork” the ledger that tracks the PPP Tokens (that is, use the software to create a new version of the Tokens) in a way that changes the rules associated with the PPP Tokens. Although hard forks that change PPP Tokens are rare, there is a possibility the changes made to the PPP Tokens could, among other things, alter the economics of the PPP Tokens. If this occurs, it could negatively affect the value of the PPP Tokens purchased in the Offering.

(7) *Open Source Software*

The PayPie Platform may rely on open-source software, and there is a risk that PayPie or other third parties not affiliated with PayPie may introduce weaknesses or bugs into the PayPie Platform causing PayPie to lose some or all of the purchasers’ PPP tokens. PayPie will hire third party cryptography and security experts to audit platform code to mitigate this risk.

(8) *Technological Advances in Platforms*

Technological advances of new forms of distributed ledger or competitive technologies may significantly reduce the value of blockchain technology, and thus the Ethereum blockchain on which PayPie Tokens are based, or make them obsolete entirely.

(9) *Code Cracking*

Technological advances such as quantum computers could present risks to cryptocurrencies and the PayPie Platform resulting in a theft of tokens. PayPie, to the extent possible, intends to update protocol underlying the PayPie Platform to account for advances in cryptography and to cryptography or the success of any future PayPie Platform security updates.

The foregoing risk factors do not purport to be a complete explanation of all risks involved in purchasing the PPP Tokens described herein. Potential purchasers should consult with their legal and other professional advisors before determining to purchase PPP Tokens.