

## Letter from the CEO

Dear valued shareholder,

As one of my first tasks as incoming CEO, I wanted to reach out to you and explain the issues that have led to the announcement of last week, along with what I believe the future will hold.

Firstly, I fully appreciate that as shareholders you place a great deal of trust in the people who run the business for you. As such, when negative events occur it will always rock the foundation of that relationship. I reach out to you today to begin the process of explaining past events and providing some direction on what I believe we can achieve in the future.

Starting with what happened, in a very short space of time the entire ad exchange section of the market has been crushed by a couple of large multi-billion dollar companies. Their strategy has been to consolidate advertising into a small number of companies, and then use that leverage to switch the traditional balance of power from publishers to the advertisers. The speed and effectiveness in which they have done this has shocked the industry.

The impact of their strategy is two-fold. Firstly, the publishers that we represent have been told that if they try and sell their eyeballs through an exchange like ours then the buyers won't buy them. This has massively impacted our ability to generate revenue. Secondly, the people we have been working with are now struggling to survive and clients are at risk of bankruptcy, going out of business and unable to pay their bills.

The starving off of this entire section of the industry by these giants is a huge negative to the overall AdTech sector. In my opinion these moves have reduced the efficacy of the industry and destroyed independent representation of publishers that allowed us to maximize publishers' revenue in a competitive manner.

We had recognized for some time that this situation had the potential to occur one day, and had been looking to migrate into walled gardens with projects such as Mplore along with other deals we had ready in the background. These projects allowed us to be the technology on the publisher's page so the 'big guys' couldn't lock us out of the market. Had we been able to implement these projects we would likely have avoided at least a big part of the impact we have seen.

Unfortunately we had been unable to secure the funds required to get this move implemented in time. We felt that the Mplore deal would require an additional \$5MM to buy and implement. We had lined up a number of financing options and, despite

the best efforts of all concerned, we were unable to raise enough funds to complete the move.

By the time the seriousness of these industry issues became realized in August, we were left stranded in “no mans land’. We hadn’t raised enough money to move into walled gardens, were struggling to collect AR to fund the ongoing running of the business and had seen our day to day trading reduced by around 90%. A period of analysis and verification ensued, which ultimately led to the news release we issued last week. We did everything in our power to battle against these forces, but, despite our best efforts, we were unable to beat the financial might of these companies.

Looking to the future, I firmly believe that we can reposition our technology to great effect. While one aspect of the huge advertising industry has been closed to us, our technology is still very effective in customer identification and routing, and can be tweaked in short order to operate within the customer acquisition business.

Customer acquisition is the finding of customers for an actual business, and being paid for that user by the business directly, all within short payment cycles. In many instances these customers have a lifetime value so we get paid every time the business makes an ongoing transaction.

This business is one we are familiar with and have often considered, but we didn’t enter that space as we were busy growing in the Ad Exchange sector. Repositioning our business allows us to use a lot of the expertise and knowledge we have gained to date to gain a competitive advantage in this exciting space.

Our short-term aim is to build a successful customer acquisition business. To help achieve that we have streamlined the company from a cost and structure perspective, including cutting all salaries (including my own by 50%) as well as closing the office. I will give more guidance on that along with the Q2 results we will be publishing soon.

Looking to the immediate future, the next steps are no doubt filled with challenges. We have a secured creditor, a need to raise capital and desire the time and space to reposition the business for future growth. My team and myself today want to give you the promise that we will work tirelessly to try and achieve a positive outcome. I firmly believe that with the support of our secured creditor, our shareholders and all stakeholders, that we can open a new chapter that is bigger, more sustainable and more valuable than anything we have done in the past.

Finally, I would like to thank Jesse Dylan and the outgoing management team for their tireless work over the last 8 years. I thank Jesse for his faith and trust in me to lead the company into its next chapter as its new CEO. On a personal note I’d like to thank you for reading this letter and again thank you for your support to date. I have undertaken to give you regular updates as we progress, and look forward to hopefully sharing the green shoots of regrowth with you very soon.

Yours,  
Chris Bradley  
CEO, Good Life Networks Inc.