

Voxtur Analytics Corp.

Unaudited Condensed Interim Consolidated Financial Statements

For the three and six months ended June 30, 2023, and 2022

(In thousands of Canadian dollars, except per share amounts)

Voxtur Analytics Corp.
Unaudited Condensed Interim Consolidated Statements of Financial Position
(In thousands of Canadian dollars)

As at	Note	June 30, 2023	December 31, 2022
Audited			
Assets			
Current Assets:			
Cash		\$ 6,654	\$ 5,908
Trade and other receivables, net	21	10,850	9,220
Trade receivables, due from related parties, net	13	24	12,220
Contract assets		873	297
Prepaid expenses and other current assets		664	1,110
Notes receivable, due from related parties	13	-	2,709
Note receivable	13	1,325	-
		20,390	31,464
Non-current Assets:			
Other non-current assets		400	400
Contract assets		156	654
Investment	22	3,642	3,723
Interest in joint ventures		286	256
Right-of-use assets	7	1,729	1,718
Equipment		466	532
Intangible assets	5	88,043	97,067
Goodwill	6	32,047	32,529
		126,769	136,879
Total Assets		\$ 147,159	\$ 168,343
Liabilities and Shareholders' Equity			
Current Liabilities:			
Line of credit	10	\$ 1,000	\$ -
Accounts payable and accrued liabilities		11,853	13,767
Unearned revenue	8	5,463	4,055
Provision	20	1,576	1,576
Lease obligations	9	411	288
Current portion of long-term debt	10	58,008	10,580
Deferred consideration	15	1,361	1,833
		79,672	32,099
Non-current Liabilities:			
Accrued liabilities		350	107
Unearned revenue	8	1,269	1,990
Lease obligations	9	1,418	1,444
Long-term debt	10	-	50,097
Convertible debentures		4	102
Contingent consideration	15	1,317	1,902
Preferred share liability	11	3,832	3,795
Deferred tax liability		1,439	2,010
		9,629	61,447
Shareholders' Equity		57,858	74,797
Total Liabilities and Shareholders' Equity		\$ 147,159	\$ 168,343
Going concern uncertainty	2(a)		
Commitments and contingencies	20		
Subsequent events	23		

The accompanying notes are an integral part of these Unaudited Condensed Interim Consolidated Financial Statements

Voxtur Analytics Corp.

Unaudited Condensed Interim Consolidated Statements of Loss and Comprehensive Loss

(In thousands of Canadian dollars, except per share amounts)

	Note	Three months ended		Six months ended	
		June 30, 2023	June 30, 2022 (Revised - Note 4)	June 30, 2023	June 30, 2022 (Revised - Note 4)
Revenue	13, 14	\$ 29,877	\$ 38,069	\$ 58,619	\$ 78,901
Direct operating expenses		14,850	25,399	30,082	52,309
Gross profit		15,027	12,670	28,537	26,592
Other operating expenses:					
Technology and operations		8,059	5,433	15,151	9,953
Selling and business development		2,115	1,780	3,763	3,749
General and administration		15,775	17,301	32,223	35,591
		25,949	24,514	51,137	49,293
Loss from operations		(10,922)	(11,844)	(22,600)	(22,701)
Other income		-	-	-	(7)
Change in contingent consideration		402	585	585	896
Dividend expense	11	(122)	-	(243)	-
Finance costs, net	17	(1,603)	(470)	(3,667)	(964)
Foreign exchange gain (loss)		(2,759)	2,767	(2,887)	1,398
		(4,082)	2,882	(6,212)	1,323
Loss for the period before income tax		\$ (15,004)	\$ (8,962)	\$ (28,812)	\$ (21,378)
Income tax recovery		550	3,219	550	3,112
Net loss for the period		\$ (14,454)	\$ (5,743)	\$ (28,262)	\$ (18,266)
Other comprehensive income (loss):					
Items that will not be reclassified to loss for the period:					
Change in fair value of investment	22	(77)	113	(25)	56
Foreign exchange gain on the translation of foreign operations		1,733	3,308	1,270	1,536
		1,656	3,421	1,245	1,592
Comprehensive loss for the period		\$ (12,798)	\$ (2,322)	\$ (27,017)	\$ (16,674)
Weighted average number of common shares					
Basic and diluted	18	601,212,309	530,626,295	592,603,458	523,742,072
Loss per share					
Basic and diluted	18	\$ (0.02)	\$ (0.01)	\$ (0.05)	\$ (0.03)

The accompanying notes are an integral part of these Unaudited Condensed Interim Consolidated Financial Statements.

Voxtur Analytics Corp.

Unaudited Condensed Interim Consolidated Statements of Changes in Shareholders' Equity

(In thousands of Canadian dollars)

Six months ended June 30, 2023

	Note	Common share capital	Warrant capital	Contributed surplus	Other reserve	Deficit	AOCI ¹	Total Equity
Balance at December 31, 2022		\$ 270,722	\$ 469	\$ 25,414	\$ 40,807	\$ (269,982)	\$ 7,367	\$ 74,797
Net loss for the period		-	-	-	-	(28,262)	-	(28,262)
Other comprehensive income:								-
Change in fair value of investment	22	-	-	-	-	-	(25)	(25)
Foreign exchange gain on the translation of foreign operations		-	-	-	-	-	1,270	1,270
Comprehensive income (loss) for the period		-	-	-	-	(28,262)	1,245	(27,017)
Issuance of common shares and warrants	12(a)	9,372	1,222	-	(7,584)	-	-	3,010
Conversion of debentures	12(b)	100	-	-	(13)	-	-	87
Debenture interest settled by share issuance	12(b)	11	-	-	-	-	-	11
Conversion of performance share units	12(c)	329	-	(329)	-	-	-	-
Share-based compensation	16	-	-	6,970	-	-	-	6,970
Balance at June 30, 2023		\$ 280,534	\$ 1,691	\$ 32,055	\$ 33,210	\$ (298,244)	\$ 8,612	\$ 57,858

Six months ended June 30, 2022

	Note	Common share capital	Warrant capital	Contributed surplus	Other reserve	Deficit	AOCI ¹	Total Equity
Balance at December 31, 2021		\$ 238,970	\$ 1,166	\$ 18,776	\$ 36	\$ (57,106)	\$ 960	\$ 202,802
Xome measurement period adjustment	4	(2,124)	-	-	-	(14)	(18)	(2,156)
Benutech measurement period adjustment	4	-	-	-	-	(110)	58	(52)
Balance, December 31, 2021, revised		\$ 236,846	\$ 1,166	\$ 18,776	\$ 36	\$ (57,230)	\$ 1,000	\$ 200,594
Net loss for the period, revised		-	-	-	-	(18,266)	-	(18,266)
Other comprehensive income (loss):								
Change in fair value of investment	22	-	-	-	-	-	56	56
Foreign exchange loss on the translation of foreign operations, revised		-	-	-	-	-	1,536	1,536
Comprehensive loss for the period, revised		-	-	-	-	(18,266)	1,592	(16,674)
Issuance of common shares, warrants and convertible debentures	12(a)	11,480	149	-	-	-	-	11,629
Conversion of debentures	12(b)	149	-	-	(20)	-	-	129
Debenture interest settled by share issuance	12(b)	6	-	-	-	-	-	6
Warrants exercised		10	(2)	-	-	-	-	8
Options exercised		6	-	(4)	-	-	-	2
Conversion of restricted share units		1,811	-	(1,811)	-	-	-	-
Conversion of deferred share units		982	-	(982)	-	-	-	-
Share-based compensation	16	-	-	4,896	-	-	-	4,896
Balance at June 30, 2022, revised		\$ 251,290	\$ 1,313	\$ 20,875	\$ 16	\$ (75,496)	\$ 2,592	\$ 200,590

¹ AOCI is defined as Accumulated other comprehensive income.

The accompanying notes are an integral part of these Unaudited Condensed Interim Consolidated Financial Statements.

Voxtur Analytics Corp.
Unaudited Condensed Interim Consolidated Statements of Cash Flows
(In thousands of Canadian dollars)

Six months ended	Note	June 30, 2023	June 30, 2022 (Revised - Note 4)
Cash flows from operating activities			
Net loss for the period		\$ (28,262)	\$ (18,266)
Adjustments to reconcile from net loss to cash flows from operating activities:			
Gain on disposal of equipment		-	(3)
Gain on lease modification		-	(20)
Dividend expense	11	243	-
Depreciation of equipment		114	102
Amortization of intangible assets	5	7,329	6,753
Depreciation of right-of-use assets	7	230	319
Bad debt expense		-	8
Unrealized foreign exchange (gain) loss		2,124	(1,553)
Change in contingent consideration	15	(585)	(896)
Finance costs, net	17	3,667	964
Income tax recovery		(550)	(3,112)
Share-based compensation expense		6,970	4,896
		(8,720)	(10,808)
Changes in non-cash operating assets and liabilities	19	(712)	(1,955)
Interest paid		(2,598)	(746)
Interest received		3	17
Cash used in operating activities		(12,027)	(13,492)
Cash flows from financing activities			
Repayment of lease obligations		(206)	(330)
Repayment of long-term debt		(2,269)	(3,250)
Proceeds from sale of promissory note		10,430	-
Proceeds from credit facility	10	1,000	-
Proceeds from issuance of common shares	12(a)	3,040	12,505
Proceeds from warrants exercised		-	8
Proceeds from options exercised		-	6
Payment of deferred consideration	15	(473)	-
Debt and equity issuance costs		(30)	(1,021)
Cash provided by financing activities		11,492	7,918
Cash flows from investing activities			
Proceeds from note receivable, due from related parties	13	1,200	-
Advance of convertible promissory note		-	(1,252)
Purchase of equipment		(19)	(65)
Proceeds on disposal of equipment and leasehold improvements		1	3
Cash provided by investing activities		1,182	(1,314)
Increase (decrease) in cash for the period		647	(6,888)
Effect of exchange rate fluctuations on cash		99	50
Cash - beginning of year		5,908	18,683
Cash - end of period		\$ 6,654	\$ 11,845

The accompanying notes are an integral part of these Unaudited Condensed Interim Consolidated Financial Statements.

Voxtur Analytics Corp.
Notes to Unaudited Condensed Interim Consolidated Financial Statements
For the three and six months ended June 30, 2023, and 2022
(In thousands of Canadian dollars, except per share amounts)

1. Corporate Information

Voxtur is a real estate technology company which specializes in the real estate finance lifecycle. The Company offers automated workflows and targeted data analytics to simplify property valuation, default solutions, tax solutions and title and settlement services for investors, lenders, government agencies and mortgage servicers. The Company's proprietary data hub and platforms value assets, service loans, securitize portfolios and evaluate tax assessments. The Company serves the property lending and property tax sectors, both public and private, in the United States ("US") and Canada.

The Company's registered office is located at 543 Ridout Street N, London, Ontario, Canada.

The Company's shares are traded in Canada on the TSX Venture Exchange ("TSX-V") under the symbol VXTR and in the US on the OTCQB under the symbol VXTRF.

2. Basis of Presentation

(a) Going concern uncertainty

Throughout 2020 and 2021, the Company was impacted by the global COVID-19 pandemic and specifically the moratorium on foreclosures under the CAREs act. The moratorium was lifted for all foreclosures as of December 31, 2021. During 2022 and the first half of 2023, the Company has seen a gradual return to pre-pandemic levels for mortgage defaults and default related valuation, title, and settlement volumes. During this same time period, volumes related to purchase closings and refinance have decreased due to the increase in interest rates coupled with higher inflation, housing costs and limited housing supply. To date, the volume reduction from purchase closing and refinance work have exceeded the volume increase from the default ramp up. The Company anticipates that over the next approximate twelve months this trend will change and the increase in volumes derived from defaults will exceed any volume reductions in purchase closings and/or refinances.

As a result of these events or conditions, there exists a material uncertainty that casts significant doubt about the Company's ability to continue as a going concern and, therefore, realize its assets and discharge its liabilities in the normal course of business for at least the next twelve months.

In order to continue as a going concern, the Company will be required to attain its projected cash flows through achievement of successful integration of its recent acquisitions, its planned growth initiatives that have been slowed due to COVID-19, to obtain continued support from its lender or to raise additional financing through the sale of its debt and equity securities, or disposition of non-core assets.

The Unaudited Condensed Interim Consolidated Financial Statements ("Interim Financial Statements") have been prepared on a going concern basis, which assumes the Company will continue its operations in the foreseeable future and will be able to realize its assets and discharge its liabilities and commitments in the ordinary course of business. The Company incurred a net loss of \$(28,262) during the six months ended June 30, 2023 (year ended December 31, 2022 - \$(212,752)). As at June 30, 2023, the Company had an accumulated deficit of \$(298,244) (as at December 31, 2022 - \$(269,982)) and a working capital deficiency of \$(59,282) (as at December 31, 2022 - \$(635)), primarily related to the reclassification of the long term portion of debt as current, as discussed below.

As at June 30, 2023, the Company was not in compliance with one of its financial covenants with respect to its credit facilities. The Company does not have an unconditional right to defer its settlement of the term loans payable for at least twelve months from June 30, 2023, without obtaining a "cure" to the covenant violation. Therefore, in accordance with IFRS, the Company classified the non-current portion of credit facilities, in the amount of \$45,546, as a current liability.

The Interim Financial Statements do not include any adjustments to the carrying values and classification of assets and liabilities and reported expenses that may be necessary if the going concern basis was not appropriate for these Unaudited Condensed Interim Consolidated Financial Statements. These adjustments could be material.

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Notes to Unaudited Condensed Interim Consolidated Financial Statements
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(b) Statement of compliance

These Interim Financial Statements have been prepared in accordance with IAS 34, Interim Financial Reporting as issued by the International Accounting Standards Board (“IASB”). The notes presented in these Interim Financial Statements include only significant changes and transactions occurring since the Company’s last year end and are not fully inclusive of all disclosures required by International Financial Reporting Standards (“IFRS”) for annual financial statements. These Interim Financial Statements should be read in conjunction with the Company’s annual audited consolidated financial statements as at and for the year ended December 31, 2022, which are available on SEDAR+.

These Interim Financial Statements for the three and six months ended June 30, 2023 and 2022 were authorized for issuance by the Board of Directors of the Company on August 22, 2023.

(c) Consolidation

The Interim Financial Statements comprise the subsidiaries presented below.

Subsidiary ¹	Voting Securities	Jurisdiction of Incorporation	Year End	Functional Currency
Voxtur Technologies U.S., Inc.	100%	Delaware	December 31	USD
Voxtur Settlement Services, LLC	100%	Florida	December 31	USD
Clarocity Inc. ²	100%	Delaware	December 31	USD
iLOOKABOUT Inc.	100%	Ontario	December 31	CAD
MTAG Paralegal Professional Corporation ³	0%	Ontario	December 31	CAD
Voxtur Analytics US Corp ⁴	100%	Delaware	December 31	USD
Appraisers Now Ltd.	100%	Alberta	December 31	CAD
Voxtur Appraisal Services, LLC	100%	Texas	December 31	USD
RealWealth Technologies, LLC	100%	Delaware	December 31	USD
Voxtur Data Services, Inc.	100%	California	December 31	USD
Municipal Tax Equity Consultants Inc.	100%	Ontario	December 31	CAD
MTE Paralegal Professional Corporation ³	0%	Ontario	December 31	CAD
Blue Water Financial Technologies Holding Company, LLC ⁵	100%	Minnesota	December 31	USD

All intercompany balances and transactions are eliminated in preparing the Interim Financial Statements.

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Notes to Unaudited Condensed Interim Consolidated Financial Statements
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(In thousands of Canadian dollars, except per share amounts)

Notes:

1. Subsidiaries are legal entities controlled by the Company. Control exists when the Company has power to direct the relevant activities of an entity and is exposed to or has rights to variable returns from its involvement with the entity. In certain circumstances, the Company may have control over an entity in which it does not own more than 50% voting interest. In making this determination, the Company considers all relevant facts and circumstances in assessing whether it has power over the entity including rights arising from contractual arrangements that allow the Company to direct the relevant activities and be exposed to variable returns of the entity, among other considerations.
2. Clarocity Inc. owns 100% of the voting securities of each of Voxtur Valuation, LLC (previously known as Clarocity Valuation Services, LLC), a Kansas limited liability company, and Valuation Vision Inc., a California corporation (together, “Clarocity Group”), and owns 100% of the voting securities of iLOOKABOUT (US) Inc, a Delaware corporation. Each of these subsidiaries have a December 31 year end.
3. As required under the Law Society Act (Ontario) and applicable regulations, MTAG Paralegal Professional Corporation is a separate professional corporation. While the Company does not have any voting rights in this entity, the Company controls the entity through contractual arrangements. MTE Paralegal Professional Corporation is wholly owned by MTAG Paralegal Professional Corporation.
4. Voxtur Analytics US Corp owns 100% of the voting securities of RealWealth Technologies LLC, Voxtur Services LLC (previously known as Xome Services, LLC), Appraisers Now US LLC, Voxtur Settlement Services LLC (previously known as BrightLine Title LLC), Voxtur Technologies US Inc., Voxtur Data Services, Inc. (previously known as Benutech Inc.) and Blue Water Financial Technologies Holding Company, LLC.
5. Blue Water Financial Technologies Holding Company, LLC owns 100% of the voting shares of each of Blue Water Financial Technologies Services, LLC, a Minnesota limited liability company, and Blue Water Financial Technologies, LLC, a Delaware limited liability company. Each of these subsidiaries have a December 31 year end.

(d) Basis of measurement

These Interim Financial Statements are prepared mainly on the historical cost basis, except for the investment, derivative financial instruments and contingent consideration which are measured at fair value. Assets and liabilities acquired in a business combination are measured at fair value at the date of acquisition.

The Interim Consolidated Statements of Loss and Comprehensive Loss are presented using the functional classification for expenses.

(e) Functional and presentation currency

These Interim Financial Statements are presented in Canadian dollars (“CAD”), which is the Company’s presentation currency. Functional currency is also determined for each of the Company’s subsidiaries, and items included in the financial statements of the subsidiary are measured using that functional currency.

3. Significant Accounting Policies

These Interim Financial Statements follow the same accounting policies and methods of application as the consolidated financial statements as at and for the year ended December 31, 2022 except for the following:

Amendments to IAS 1 and IFRS Practice Statement 2:

On February 12, 2021, the IASB issued “Disclosure of Accounting Policies (Amendments to IAS 1 and IFRS Practice Statement 2)” with amendments that are intended to help preparers in deciding which accounting policies to disclose in their Unaudited Condensed Interim Consolidated Financial Statements. The amendments are effective for annual periods beginning on or after January 1, 2023. Adoption of these amendments did not have a material impact on the Company’s Interim Financial Statements.

Voxtur Analytics Corp.
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Amendments to IAS 8 – Accounting policies, changes in accounting estimates and errors:

On February 12, 2021, the IASB issued “Definition of Accounting Estimates (Amendments to IAS 8)” to help entities to distinguish between accounting policies and accounting estimates. The amendments are effective for annual periods beginning on or after January 1, 2023. Adoption of these amendments did not have a material impact on the Company’s Interim Financial Statements.

4. Acquisitions

Xome Valuations

On September 1, 2021, the Company acquired 100% of the issued and outstanding membership interests of Xome Services, LLC and Xome Valuation Services, LLC (collectively, “Xome Valuations”). Xome Valuations is a nationally licensed appraisal management company providing services to institutional clients. The Company acquired this business to expand its United States presence and to grow the Company’s recurring software and data licenses revenue.

The consideration transferred to acquire Xome Valuations was comprised of the following:

- i. \$11,344 (\$9,000 USD) cash consideration; and
- ii. 10,251,834 common shares of the Company.

The purchase price allocation as at September 1, 2021, is presented below (as revised).

Consideration	USD		CAD	
Cash - paid on closing	\$	9,000	\$	11,344
Common shares		4,903		6,180
Consideration transferred for the acquired business	\$	13,903	\$	17,524
<hr/>				
Recognizable amounts of identifiable assets acquired and liabilities assumed:	USD		CAD	
Cash	\$	1,966	\$	2,478
Accounts receivable		5,485		6,913
Intangible assets		9,085		11,452
Prepaid assets		30		38
Accounts payable and accrued liabilities		(2,278)		(2,871)
Deferred revenue		(2,582)		(3,255)
Total identifiable net assets of acquired business	\$	11,706	\$	14,755
Goodwill		2,197		2,769
Total identifiable net assets of acquired business and goodwill	\$	13,903	\$	17,524

Goodwill arising from the acquisition is attributable to the Company assuming an experienced workforce and the estimated future value of expected synergies to result from the combination of the businesses. Amounts paid for goodwill is expected to be deductible for tax purposes.

From the date of acquisition to December 31, 2021, the Company recognized revenue of \$28,399, gross profit of \$7,888, and comprehensive income of \$2,099. Had the Company acquired the business January 1, 2021, the Company estimates that it would have recognized the following unaudited amounts (i) revenue of approximately \$90,964; (ii) gross margin of approximately \$27,892, and; (iii) comprehensive income of approximately \$6,506.

Acquisition-related costs included in general and administration expense totaled \$128 during the year ended December 31, 2021.

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In the prior period, the purchase price allocation was recognized on a provisional basis and was subject to adjustments during the measurement period as new information is obtained about facts and circumstances that existed at the date of the acquisition. During the current period, an independent valuation report was finalized resulting in an adjustment to the value of intangible assets, deferred tax liability and goodwill.

As a result of this measurement period adjustment, the comparative information presented in the Interim Financial Statements is revised as follows.

Three months ended					
June 30, 2022					
	As stated originally	Xome Adjustment	Benutech Adjustment	Revised	
Technology and operations	\$ 5,412	\$ (157)	\$ 178	\$ 5,433	
General and administration	17,474	168	(341)	17,301	
Change in contingent consideration	2,341	-	(1,755)	585	
Foreign exchange gain (loss) on the translation of foreign operations	3,569	(66)	(195)	3,308	

Six months ended					
June 30, 2022					
	As stated originally	Xome Adjustment	Benutech Adjustment	Revised	
Technology and operations	\$ 9,912	\$ (312)	\$ 353	\$ 9,953	
General and administration	35,934	333	(676)	35,591	
Change in contingent consideration	3,584	-	(2,688)	896	
Foreign exchange gain (loss) on the translation of foreign operations	1,718	(34)	(148)	1,536	

Benutech Inc.

On December 30, 2021, the Company acquired 100% of the issued and outstanding stock of Benutech Inc. (“Benutech”). With one of the largest repositories of real-time property data in the US, Benutech enables real estate professionals to access data from multiple public and private data sources through a subscription-based model. The Company acquired Benutech to expand its United States presence and to grow the Company’s recurring software and data licenses revenue.

The consideration transferred to acquire Benutech was comprised of the following:

- i. \$6,029 (\$4,706 USD) cash consideration;
- ii. 10,239,757 common shares of the Company; and
- iii. 7,314,112 common shares, contingent upon the achievement of certain earnout provisions.

The purchase price allocation as at December 30, 2021, is presented below.

Consideration	USD	CAD
Cash - paid on closing	\$ 4,706	\$ 6,029
Common shares	9,671	12,390
Contingent consideration	1,727	2,212
Consideration transferred for the acquired business	\$ 16,104	\$ 20,631

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Recognizable amounts of identifiable assets acquired and liabilities assumed:	USD	CAD
Cash	\$ 834	\$ 1,068
Accounts receivable	386	495
Capital assets	11	14
Intangible assets	4,690	6,008
Accounts payable and accrued liabilities	(977)	(1,252)
Deferred revenue	(332)	(425)
Deferred Tax Liability	(787)	(1,008)
Total identifiable net assets of acquired business	\$ 3,825	\$ 4,900
Goodwill	12,279	15,731
Total identifiable net assets of acquired business and goodwill	\$ 16,104	\$ 20,631

Goodwill arising from the acquisition is attributable to the Company assuming an experienced workforce and the estimated future value of expected synergies to result from the combination of the businesses.

Amounts paid for goodwill and intangible assets will not be deductible for tax purposes.

From the date of acquisition, being December 30, 2021 to December 31, 2021, the Company recognized nominal revenue, gross profit and comprehensive income with respect to Benutech. The Company is unable to reliably determine the revenue, gross margin and comprehensive income that would have been generated by Benutech had it been acquired as of January 1, 2021.

Acquisition-related costs included in general and administration expense totaled \$44 during the year ended December 31, 2021.

In the prior period, the purchase price allocation was recognized on a provisional basis and was subject to adjustments during the measurement period as new information is obtained about facts and circumstances that existed at the date of the acquisition. During the current period, an independent valuation report was finalised resulting in an adjustment to the value of intangible assets, deferred tax liability and goodwill.

As a result of this measurement period adjustment, the comparative information presented in the Consolidated Financial Statements is revised as follows.

Three months ended					
June 30, 2022					
	As stated originally	Some Adjustment	Benutech Adjustment	Revised	
Technology and operations	\$ 5,412	\$ (157)	\$ 178	\$	5,433
General and administration	17,474	168	(341)		17,301
Change in contingent consideration	2,341	-	(1,755)		585
Foreign exchange gain (loss) on the translation of foreign operations	3,569	(66)	(195)		3,308
Six months ended					
June 30, 2022					
	As stated originally	Some Adjustment	Benutech Adjustment	Revised	
Technology and operations	\$ 9,912	\$ (312)	\$ 353	\$	9,953
General and administration	35,934	333	(676)		35,591
Change in contingent consideration	3,584	-	(2,688)		896
Foreign exchange gain (loss) on the translation of foreign operations	1,718	(34)	(148)		1,536

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5. Intangible assets

Cost	Note	Computer Software	Customer Relationships	Tradenames	Licenses	Total
At December 31, 2022	\$	76,679	\$ 44,530	\$ 6,259	\$ 1,302	\$ 128,771
Effect of movement in exchange rates		(1,316)	(746)	(119)	(28)	(2,210)
At June 30, 2023	\$	75,363	\$ 43,784	\$ 6,140	\$ 1,274	\$ 126,561

Amortization		Computer Software	Customer Relationships	Tradenames	Licenses	Total
At December 31, 2022	\$	13,314	\$ 16,355	\$ 2,034	\$ -	\$ 31,703
Amortization		5,435	1,411	484	-	7,329
Effect of movement in exchange rates		(250)	(219)	(46)	-	(515)
At June 30, 2023	\$	18,499	\$ 17,547	\$ 2,472	\$ -	\$ 38,518

Carrying amounts						
At June 30, 2023	\$	56,864	\$ 26,237	\$ 3,668	\$ 1,274	\$ 88,043
At December 31, 2022	\$	63,365	\$ 28,175	\$ 4,225	\$ 1,302	\$ 97,067

Licenses have an indefinite life and therefore are tested annually for impairment. The intangible assets related to operations in the United States are \$74,518 (as at December 31, 2022 - \$82,120). The intangible assets related to operations in Canada are \$13,525 (as at December 31, 2022 - \$14,948).

6. Goodwill

For the purposes of impairment testing, goodwill has been allocated to the following Cash Generating Units (“CGU”):

	Note	Appraisal Services	Apex	Anow	Data Services	Capital Markets	Tax Consulting	Total
At December 31, 2022	\$	10,707	\$ 934	\$ 8,634	\$ 5,202	\$ 5,198	\$ 1,855	\$ 32,529
Effect of movement in exchange rates		(235)	(20)	-	(114)	(113)	-	(482)
At June 30, 2023	\$	10,472	\$ 914	\$ 8,634	\$ 5,088	\$ 5,085	\$ 1,855	\$ 32,047

No indicators of impairment were identified for the period ended June 30, 2023.

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7. Right-of-use assets

The following table presents the right-of-use assets for the Company:

		Offices		Vehicles		Total right-of-use assets
Balance, December 31, 2022	\$	1,700	\$	18	\$	1,718
Additions		274		3		277
Amortization		(225)		(6)		(231)
Effect of movement in exchange rates		(35)		-		(35)
Balance, June 30, 2023	\$	1,714	\$	15	\$	1,729

The Right-of-use assets related to operations in the United States are \$1,683 (December 31, 2022 - \$1,673).
The Right-of-use assets related to operations in Canada are \$47 (December 31, 2022 - \$45).

8. Unearned revenue and remaining performance obligations

The following table presents changes in the unearned revenue balance:

Balance, December 31, 2022	\$	6,045
Amounts invoiced and revenue unearned as at the end of the period		3,594
Recognition of unearned revenue that was included in the adjusted balance at the beginning of the period		(2,907)
Balance, June 30, 2023	\$	6,732
Current	\$	5,463
Non-current		1,269
Total unearned revenue	\$	6,732

Remaining Performance Obligations

Revenue allocated to remaining performance obligations represents contracted revenue that has not yet been recognized (“contracted unrecognized revenue”) and includes both unearned revenue, being amounts invoiced for which services have not yet been provided, and amounts that will be invoiced and recognized as revenue in future periods. As at June 30, 2023, contracted unrecognized revenue was approximately \$7,893 of which the Company expects to recognize an estimated 69% over the next 12 months and the remainder thereafter (December 31, 2022 - \$10,585 and 38%, respectively).

9. Lease obligations

The Company’s leases are for office space and vehicles. Certain of these leases contain renewal options. The Company has included renewal options in the measurement of lease obligations when it is reasonably certain that the Company will exercise the renewal option.

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Balance, December 31, 2022	\$	1,732
Additions		287
Interest on lease obligation		50
Lease payments		(206)
Effect of movement in exchange rates		(34)
Balance, June 30, 2023	\$	1,829
Current	\$	411
Non-current		1,418
Total lease obligations	\$	1,829

The following table presents the contractual undiscounted cash flows for lease obligations:

Less than one year	\$	508
One to five years		1,568
More than five years		45
Total undiscounted lease obligations	\$	2,121

The expense relating to variable lease payments not included in the measurement of lease obligations for the three and six months ended June 30, 2023 was \$nil (three and six months ended June 30, 2022 - \$8 and \$17). This consists of variable lease payments for operating costs, property taxes and insurance.

10. Long-term debt

		June 30, 2023	December 31, 2022
(a) Term Loan B	\$	1,100	1,344
(b) Term Loan C		19,474	20,349
(c) Term Loan D		37,434	\$ 38,984
	\$	58,008	\$ 60,677
Due within 1 year	\$	58,008	\$ 10,580
Due between 1 and 5 years		-	50,097
	\$	58,008	\$ 60,677

(a) Term Loan B

Term Loan B was granted under the Business Credit Availability Program (“BCAP”). The BCAP is a standardized guarantee program offered by Export Development Canada in response to the COVID-19 pandemic. With respect to Term Loan B, the Company has drawn \$2,000. Proceeds net of transaction costs were \$1,970. The Company will pay interest only for the first twelve months of the term, and thereafter shall pay interest and monthly principal repayments of \$42 based on amortization over four years. Pricing is set at Canadian Prime Rate plus 5.0% per annum. Effective interest of \$30 and \$63 was recognized during the three and six months ended June 30, 2023 (three and six months ended June 30, 2022 - \$37 and \$73). The maturity date of Term Loan B is October 1, 2025.

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December 31, 2022	\$	1,344
Amortization of financing costs		6
Repayment of financing		(250)
June 30, 2023	\$	1,100
<hr/>		
Due within 1 year	\$	1,100
Due between 1 and 5 years		-
	\$	1,100

(b) Term Loan C

Term Loan C was established in February 2021. With respect to Term Loan C, the Company has drawn \$27,000. Proceeds net of transaction costs were \$26,413. In September 2022, in connection with the establishment of Term Loan D, noted below, Term Loan C repayment terms were revised. For the first six months, commencing September 2022, the Company will pay interest only. Thereafter, the Company will make principal and interest payments, with such principal payments being equal to \$500 per month. At maturity in September 2025, the Company will repay the full remaining principal balance. Pricing is set at Bank of Montreal's Prime Rate plus 4.0% per annum. Effective interest of \$583 and \$1,182 was recognized during the three and six months ended June 30, 2023 (three and six months ended June 30, 2022 - \$432 and \$839). As at June 30, 2023, one principal payment of \$500 has been deferred to the maturity date.

December 31, 2022	\$	20,349
Amortization of financing costs		125
Repayment of financing		(1,000)
June 30, 2023	\$	19,474
<hr/>		
Due within 1 year	\$	19,474
Due between 1 and 5 years		-
	\$	19,474

(c) Term Loan D

Term Loan D was established in September 2022. With respect to Term Loan D, the Company has drawn \$40,491 CAD (\$30,000 USD). Proceeds net of transaction costs were \$39,372 CAD. Principal amounts under this term facility shall amortize over eight years. The Company paid interest only for the first six months of the term. Thereafter, the Company is required to make interest and principal payments, with such principal payments being equal to \$375 USD per month. At maturity in September 2025, the Company will repay the full remaining principal balance. Pricing is set at Bank of Montreal's US Prime Rate plus 4.0% per annum. Effective interest of \$1,386 and \$2,755 was recognized during the three and six months ended June 30, 2023 (three and six months ended June 30, 2022 - \$nil and \$nil). As at June 30, 2023, one principal payment of \$375 USD has been deferred to the maturity date.

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		USD		CAD
December 31, 2022	\$	28,780	\$	38,984
Amortization of financing costs		224		302
Repayment of financing		(750)		(1,019)
Effect of movement in exchange rates		-		(833)
June 30, 2023	\$	28,254	\$	37,434
Due within 1 year	\$	28,254	\$	37,434
Due between 1 and 5 years		-		-
	\$	28,254	\$	37,434

(d) Revolving credit facility

The Company has a revolving credit facility (the “Operating Facility”) of \$1,500 under which the availability of funds is subject to certain limitations based on accounts receivable and certain accounts payable. Interest is set at the Bank of Montreal’s Prime Rate plus 2.5% per annum. The Company had drawn a total of \$1,476 consisting of \$1,000 cash plus \$476 (USD\$360), in the form of a letter of credit, on the Operating Facility as at June 30, 2023 (as at December 31, 2022 - \$464). Effective interest of \$8 and \$15 was recognized during the three and six months ended June 30, 2023 (three and six months ended June 30, 2022 - \$nil).

The credit facilities contain customary financial and restrictive covenants and are secured by assets of the Company and its subsidiaries, which primarily consists of intellectual property and accounts receivable.

As at June 30, 2023 the Company was not in compliance with one of its financial covenants with respect to its credit facilities. The Company does not have an unconditional right to defer its settlement of the term loans payable for at least twelve months from June 30, 2023, without obtaining a “cure” to the covenant violation. Therefore, in accordance with IFRS, the Company classified the non-current portion of credit facilities, in the amount of \$45,546 as a current liability.

11. Preferred share liability

In October 2022, the Company issued 4,081,632 Series 2 Preference Shares (“Preference Shares”) at a subscription price of \$0.98 per share. These Preference Shares are fully paid, have no par value, and have the same voting rights as Common Shares. They carry a cumulative dividend of 12% per annum and are convertible into Common Shares at the option of the holder, subject to certain conversion requirements.

The key terms of the Preference Shares include the following:

- Redeemable after the third anniversary of issuance at the option of the Company at a Redemption amount of \$0.98 per share plus accrued and unpaid dividends;
- Fixed and cumulative dividends at a rate of 12% per annum. Dividends shall be paid as and when declared by the Board of Directors, or the cumulative balance can be converted to Common Shares, at the option of the Company, at the market price of the Common Shares the day before the conversion right is exercised. All accrued and unpaid dividends shall accumulate and compound quarterly until paid, whether or not declared by the Board of Directors;
- Convertible to Common Shares at the option of the holder at a conversion price of \$0.98 at any time within the first five years of issuance; and
- Automatically convert to Common Shares if the volume weighted average price of the Common Shares on such date, as calculated based on the 20 trading days prior to such date, is at a 10% premium or more than the conversion price of \$0.98.

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The liability component of these shares was recognized initially at a fair value of \$3,779 net of transaction costs of \$58. The fair value was determined based on the present value of the contractual principal and dividend payments to the initial redemption date, using a discount rate of 13%, being the market rate applicable to a non-convertible financial instrument at the date of issuance. Subsequent to initial recognition, the liability component will be accreted to the initial redemption date of the Preference Shares through the recording of an accretion expense using the effective interest method.

The equity component, representing the conversion option, was recognized at the fair value of \$160 net of transaction costs of \$2 in the conversion option reserve.

As at June 30, 2023, accrued but unpaid dividends with respect to the Preference Shares totaled \$355 (as at December 31, 2022 - \$107) and are included in accounts payable and accrued liabilities in the Consolidated Statement of Financial Position.

	Face Value	Liability Carrying Amount
Balance, December 31, 2022	\$ 4,000	\$ 3,795
Accretion expense	-	27
Amortization of financing costs	-	10
Balance, June 30, 2023	\$ 4,000	\$ 3,832

12. Common share and warrant capital

	Expiry date	Exercise price	June 30, 2023		December 31, 2022	
			Issued	Amount	Issued	Amount
Issued and outstanding:						
Common shares			618,232,296	\$ 280,534	581,777,639	\$ 270,722
Share purchase warrants:						
Broker warrants 2021-12	December 21, 2023	0.90	651,655	320	651,655	320
Broker warrants 2022-05	May 13, 2024	1.02	367,800	149	367,800	149
Series R warrants	June 25, 2028	0.20	15,263,497	1,222	-	-
			16,282,952	1,691	1,019,455	469
Share capital and warrant capital			634,515,248	\$ 282,225	582,797,094	\$ 271,191

The authorized capital consists of an unlimited number of Common Shares, an unlimited number of Non-Voting Shares and an unlimited number of Preference Shares, issuable in series. The Common Shares have no par value and are each entitled to one vote. The Non-Voting Shares have no par value and are not entitled to vote. Each Non-Voting Share can be converted to one Common Share at the option of the shareholder at any time for no consideration. All issued Common Shares and Non-Voting Shares are fully paid.

The following table presents changes in common shares:

	Number of shares	Amount
Balance, December 31, 2022	581,777,639	\$ 270,722
Shares issued, acquisition	(a) 18,976,359	7,584
Shares issued, private placement	(a) 15,263,497	1,788
Shares issued, debentures converted	(b) 289,277	100
Shares issued, debenture interest settled	(b) 43,466	11
Shares issued, performance share units converted	(c) 1,882,058	329
Balance, June 30, 2023	618,232,296	\$ 280,534

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(a) Common Share issued

Acquisition of Blue Water:

As discussed in Note 4, the Company issued 18,976,359 common shares of the Company in January, April and June 2023 as part of the consideration transferred to acquire Blue Water.

Private Placement:

In June 2023, the Company completed the first tranche of a non-brokered private placement (the "June 2023 Offering") for gross proceeds of \$3,040, or \$3,010 net of finder's fees and issuance costs.

The Company issued 15,263,497 units at a price of \$0.20 per unit. Each unit is composed of one Common Share of the Company and one Common Share purchase warrant (the "Series R Warrants"). Each Series R Warrant entitles the holder thereof to acquire one Common Share of the Company at a price of \$0.20 for a period of 5 years following the closing of the June 2023 Offering.

Proceeds from the June 2023 Offering were allocated to common share capital and warrant capital using the relative fair value method. The fair value of the common share capital was determined using the TSXV closing price of the Company's common shares on June 26, 2023.

The fair value of the warrant capital was determined using the Black-Scholes option pricing model, using the following assumptions.

	Series R Warrants
Exercise price	\$0.20
Common share value at grant date	\$0.16
Risk free interest rate	3.70%
Expected dividend yield	0%
Expected share volatility	91.53%
Expected life	5 years

(b) Convertible debentures converted

In June 2023, the Company issued 289,277 common shares upon receipt of directions from convertible debenture holders to convert \$100 of convertible debentures.

In June 2023, the Company issued 43,466 common shares upon settlement of interest obligations on convertible debentures of \$11.

(c) Conversion of performance share units

In June 2023, the Company converted 1,882,058 performance share units to 1,882,058 common shares of the Company upon achievement of specific milestones by performance share unit holders.

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13. Related party transactions

Consulting Services:

To provide for ongoing support and development of certain software purchased from Yeoman & Company Paralegal Professional Corporation (“YCP”), in December 2014, the Company entered into a consulting agreement with YCP (“Consulting Agreement”) that expires in December 2034. The Consulting Agreement provides for an annual base fee of \$265, with annual increases in line with any increases in the Consumer Price Index, plus 15% of consideration received by the Company from end customers (the “YCP Fees”) for use of this software. For the three and six months ended June 30, 2023, the Company incurred YCP Fees of \$97 and \$219 (three and six months ended June 30, 2022 – \$97 and \$211) under the Consulting Agreement, which was included in direct operating expense and technology expense. Two of the principals of YCP are the sons of a Director of the Company. As at June 30, 2023, outstanding amounts payable related to these agreements totaled \$32 (as at December 31, 2022 - \$nil).

Service Agreements:

Effective in February 2021, the Company has entered into various service agreements (the “Support Services Agreements”) with James E. Albertelli PA and affiliates, (collectively, “the JEA Group”) to provide real estate technology development and support, and non-legal default services for an initial term of twenty-five years, with an automatic extension for an additional twenty-five years. The Company also provides title and settlement services to the JEA Group.

On January 1, 2023, the Company executed a promissory note with the JEA Group for the then outstanding balance of fees owed by the JEA Group to the Company under the Support Services Agreements. On February 15, 2023, the Company completed the sale of the promissory note to a third-party for cash proceeds of \$10,430 (\$7,818 USD).

Concurrently with the execution of the promissory note, the Support Services Agreements were amended to reflect the implementation of enhanced default technology developed by the Company, and to revise the fee structure from a cost-plus model to a per file technology fee model, whereby the JEA Group pays a fee for each file it processes using the Company’s technology. The Company also generates fees from the JEA Group for technology support services, which fees are based on a fixed fee per user supported.

For the three and six months ended June 30, 2023, with respect to these agreements, the Company recorded revenue of \$nil and \$956 (three and six months ended June 30, 2022 - \$3,679 and \$7,330). As at the time that the JEA Group ceased to be a related party, outstanding amounts receivable totaled \$1,517 (as at December 31, 2022 - \$397).

The Company has also entered into agreements with the JEA Group for (i) space sharing, for the use by the Company of a portion of JEA Group’s premises, equipment, furniture and improvements; and (ii) sublicensing of software by the Company from the JEA Group. With respect to these agreements, the Company incurred expenses of for the three and six months ended June 30, 2023 \$nil and \$591 (three and six months ended June 30, 2022 - \$355 and \$766). As at June 30, 2023, outstanding amounts payable related to these agreements totaled \$nil (as at December 31, 2022 - \$277).

One of the principals of the JEA Group, Mr. James Albertelli was the Chief Executive Officer and a Director of the Company. Mr. Albertelli owns 70% of the JEA Group. As of April 13, 2023, Mr. Albertelli stepped down from his roles as Chief Executive Officer and a Director of the Company. Therefore, subsequent to April 13, 2023, the JEA Group is no longer a related party of the Company.

Rice Park Capital Management

A Director of the Company is the Managing Partner and CEO of Rice Park Capital Management. Rice Park Capital Management is a client of the Company. For the three and six months ended June 30, 2023 the Company recognized revenue of \$641 and \$794 (three and six months ended June 30, 2022 \$nil). As at June 30, 2023, outstanding amounts receivable totaled \$19 (as at December 31, 2022 - \$61). Subsequent to June 30, 2023, 43% of the outstanding balance was collected.

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Notes Receivable:

As at December 31, 2022, notes receivable from Directors and/or Officers of the Company were \$2,709 CAD (\$2,000 USD). In April 2023, \$1,200 CAD of the outstanding balance was collected. The remaining balance at June 30, 2023 of \$1,325 relates to a past Director and Officer of the Company who stepped down from his roles with the Company, therefore the remaining related party notes receivable balance at June 30, 2023 was \$nil.

Consolidated Entity:

As required under the Law Society Act (Ontario) and applicable regulations, MTAG Paralegal Professional Corporation is a separate professional corporation. The Executive Chairman of the Company, a paralegal licensed in the Province of Ontario, is the sole shareholder of this professional corporation; however, the Company controls the entity through contractual arrangements, which also provide that all economic benefit or loss resulting from the entity will be received by the Company. MTE Paralegal Professional Corporation is a wholly owned subsidiary of MTAG Paralegal Professional Corporation.

All of these transactions, with the exception of the notes receivable, are in the normal course of operations. Each of these transactions have been measured at the transaction amounts, being the amount of consideration established and agreed to by the related parties. The above noted transactions were approved by the Board of Directors of the Company.

14. Revenue

Nature of services and geographic information:

The Company generates revenue from the provision of software and data licensing, technology managed services and settlement services. Geographically, the Company operates in the United States and Canada. Information regarding revenue by geographic area and by nature of service is presented below.

	Three months ended June 30, 2023			Three months ended June 30, 2022		
	United States	Canada	Total	United States	Canada	Total
Software and data licenses	\$ 9,971	\$ 345	\$ 10,316	\$ 4,928	\$ 1,195	\$ 6,123
Technology managed services	16,865	999	17,864	28,493	331	28,824
Settlement services	1,697	-	1,697	3,122	-	3,122
Total	\$ 28,533	\$ 1,344	\$ 29,877	\$ 36,543	\$ 1,526	\$ 38,069
	Six months ended June 30, 2023			Six months ended June 30, 2022		
	United States	Canada	Total	United States	Canada	Total
Software and data licenses	\$ 16,297	\$ 696	\$ 16,993	\$ 10,264	\$ 2,453	\$ 12,717
Technology managed services	35,468	2,196	37,664	58,608	165	58,773
Settlement services	3,962	-	3,962	7,411	-	7,411
Total	\$ 55,727	\$ 2,892	\$ 58,619	\$ 76,283	\$ 2,618	\$ 78,901

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Significant customers:

Customers representing more than 10% of revenue are classified as significant customers.

For the three months ended June 30, 2023, the Company had one significant customer representing 13% of total revenue. For the three months ended June 30, 2022, the Company had two significant customers, one represented 25% of total revenue and the other, a related party, represented 10% of total revenue.

For the six months ended June 30, 2023, the Company had one significant customer representing 13% of total revenue. For the six months ended June 30, 2022, the Company had one significant customer, which represented 30% of total revenue.

Operating Segments:

To date, the Company has operated and reported its results as one operating segment. The Chief Operating Decision Makers make resource allocation decisions based on the organization as a whole.

15. Contingent and deferred consideration

The following table presents changes in the contingent consideration:

Balance, December 31, 2022	\$	1,902
Change in contingent consideration		(585)
Balance, June 30, 2023	\$	1,317

The following table presents changes in the deferred consideration:

	USD		CAD	
Balance, December 31, 2022	\$	1,640	\$	2,221
Payment of deferred consideration		(357)		(473)
Effect of movement in exchange rates		-		(38)
Balance, June 30, 2023	\$	1,283	\$	1,710

Of the \$1,710 of total deferred consideration, \$349 is recorded in accounts payable and accrued liabilities with the remainder recorded as deferred consideration.

16. Share-based compensation

Stock Options

The number and weighted average exercise prices of outstanding stock options are as follows:

	Number of Options	Weighted Average Exercise Price	Weighted Average Remaining Contractual Life in Years
Outstanding December 31, 2022	27,395,323	\$ 0.55	2.9
Expired	(2,000,000)	0.25	
Forfeited	(1,916,667)	0.52	
Outstanding June 30, 2023	23,478,656	\$ 0.58	2.5

For the three and six months ended June 30, 2023, the Company recorded share-based compensation expense of \$(99) and \$77 (for the three and six months ended June 30, 2022 – \$328 and \$951) related to stock options granted to employees and consultants, which is included in general and administration, selling and business development and technology expenses.

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Deferred Share Units:

A summary of the DSUs outstanding under the share-based incentive plan is presented below:

	Number of Units
Outstanding December 31, 2022	269,681
Granted	-
Exercised	-
Expired	-
Forfeited	-
Outstanding June 30, 2023	269,681

All of the outstanding DSUs noted above have vested.

For the three and six months ended June 30, 2023, the Company recorded share-based compensation expense of \$296 (for the three and six months ended June 30, 2022 – \$nil) related to DSUs granted or to be granted to directors.

Restricted Share Units:

A summary of the Restricted Share Units (“RSUs”) outstanding is presented below:

	Number of Units
Outstanding December 31, 2022	11,367,607
Forfeited	(764,855)
Outstanding June 30, 2023	10,602,752

At June 30, 2023, the restricted period of 9,438,042 RSUs had expired. For the three and six months ended June 30, 2023, the Company recorded share-based compensation expense of \$42 and \$242 (three and six months ended June 30, 2022 – \$1,519 and \$3,946) related to RSUs granted to employees and consultants, which is included in general and administration, selling and business development and technology expenses. The value of the RSUs granted was determined based on the closing share price on the date prior to the grant of the RSUs.

Performance Share Units:

A summary of the Performance Share Units (“PSUs”) outstanding is presented below:

	Number of Units
Outstanding December 31, 2022	-
Granted	6,273,526
Converted to common shares	(1,882,058)
Outstanding June 30, 2023	4,391,468

At June 30, 2023, 1,882,058 of the outstanding PSUs had vested and converted to Common Shares. For the three and six months ended June 30, 2023, the Company recorded share-based compensation expense of \$441 and \$441 (for the three and six months ended June 30, 2022 – \$nil and \$nil) related to PSUs granted, which is included in selling and business development expense.

Blue Water replacement shares

As part of the acquisition of Blue Water discussed in Note 4, the Company agreed to issue 68,792,731 common shares of the Company, as replacement share-based payment awards (“Replacement Awards”) for equity-settled share-based payment awards held by employees of Blue Water. The Common shares are to be issued in three equal tranches, with the first tranche being issued immediately following the acquisition, and the second and third tranches to be issued on the first and second anniversary of the acquisition respectively. Of the total Replacement Awards, 29,517,435 were included in the calculation of consideration for the acquisition, which were fully earned

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as at the acquisition date. The remaining 39,275,296 Replacement Awards will be recognised as post-acquisition share-based compensation as they are earned. The expense and corresponding increase in contributed surplus in shareholders' equity are determined based on the grant date fair value of the Replacement Awards and recognized using the graded method over the period that the employees unconditionally become entitled to the awards. Upon the issuance of the common shares, the amount attributable to the Replacement Awards that was previously recognized in contributed surplus is recorded as an increase to share capital.

For the three and six months ended June 30, 2023, the Company recorded share-based compensation expense of \$2,973 and \$5,914 related to Replacement Awards, which is included in general and administration expenses (three and six months ended June 30, 2022 - \$nil and \$nil).

17. Finance costs, net

	Three months ended		Six months ended	
	June 30, 2023	June 30, 2022	June 30, 2023	June 30, 2022
Finance income	\$ 2	\$ 50	\$ 3	\$ 56
Finance costs:				
Amortization of debt issuance costs	(208)	(30)	(416)	(62)
Long-term debt - interest costs	(1,362)	(445)	(3,177)	(866)
Lease obligations - interest costs	(35)	(13)	(77)	(26)
Convertible debenture - accretion of equity discount and interest	-	(32)	-	(66)
Net finance costs	\$ (1,603)	\$ (470)	\$ (3,667)	\$ (964)

18. Loss per share

For the three and six months ended June 30, 2023, diluted loss per share does not take into account any outstanding warrants, options, deferred share units, restricted share units or convertible debentures as their effect would be anti-dilutive for the period. As at June 30, 2023, there were a total of:

- 16,282,952 warrants outstanding (December 31, 2022 – 1,019,455);
- 23,478,656 options outstanding (December 31, 2022 – 27,395,323);
- 269,681 deferred share units outstanding (December 31, 2022 – 269,681);
- 4,391,468 performance share units outstanding (December 31, 2022 - \$nil);
- 10,602,752 restricted share units outstanding (December 31, 2022 – 11,367,607);
- \$4 debentures outstanding convertible to 1,448 common shares (December 31, 2022 – \$88 convertible to 290,724 common shares)

19. Supplementary cash flow information

	June 30, 2023	June 30, 2022
		(Revised - Note 4)
Changes in non-cash operating assets and liabilities:		
Trade and other receivables, net	\$ (1,630)	\$ 3,078
Trade receivables, due from related parties, net	1,766	(5,328)
Contract assets	(78)	(172)
Prepaid expenses and other assets	446	(1,122)
Accounts payable and accrued liabilities	(1,903)	1,809
Unearned revenue	687	(220)
	\$ (712)	\$ (1,955)

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20. Commitments and contingencies

Subsequent to June 30, 2023, the Company settled an outstanding legal claim that had been initiated in fiscal 2022 for a cash amount of \$720 and the issuance of 4,500,000 Common Shares. A provision of \$1,576 was recorded as at June 30, 2023, (December 31, 2022 - \$1,576) related to this claim.

As at June 30, 2023, the Company had one outstanding legal claim. Since it presently is not possible to determine the outcome of this matter, no provision for this claim has been made as at June 30, 2023.

21. Financial risk management

The Company is exposed to credit risk, liquidity risk, foreign exchange risk, and interest rate risk from its financial assets and liabilities. Financial risk management strategies are designed to ensure the Company's risks and related exposures are consistent with its business objectives and risk tolerance. There have been no significant changes to the Company's key financial risks or risk management strategies since December 31, 2022.

Currency risk

The Company's exposure to foreign currency risk was as follows based on notional amounts (all amounts shown in CAD):

As at	June 30, 2023
Cash	\$ 1,467
Trade and other receivables, net	-
Notes receivable	1,325
Investment	3,642
Deferred consideration	1,361
Accounts payable and accrued liabilities	(506)
	\$ 7,289

Sensitivity analysis

A 5% strengthening of the USD against the CAD at June 30, 2023, would have increased equity and decreased the comprehensive loss for the year by approximately \$349 (December 31, 2022 - \$349). A 5% weakening of the USD against the CAD at June 30, 2023 would have had the equal but opposite effect, on the basis that all other variables remain constant.

Interest rate risk

The Company's term loans are set at Bank of Montreal's Prime Rate plus 4.0% - 5.0%, and therefore are exposed to interest rate risk. The Company does not use derivatives to manage this risk. A 1.5% increase to the Prime Rate would result in an increase in interest payments of approximately \$1,102 (December 31, 2022 - \$1,953) over the remaining terms of the loans. The convertible debentures are at a fixed rate of interest and therefore are not exposed to interest rate risk.

Credit Risk

At June 30, 2023, 2 customers accounted for more than 10% of trade accounts receivable, net. These customers accounted for approximately 24% of trade accounts receivable at that time, of which 38% was collected subsequent to June 30, 2023.

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At December 31, 2022, two customers, one of which is a related party, accounted for more than 10% of trade accounts receivable, net. These customers accounted for approximately 55% of trade accounts receivable at that time, of which 100% was collected subsequent to December 31, 2022.

The aging of trade and other receivables at the reporting date was:

As at	June 30, 2023		December 31, 2022	
	Gross Amount	Amount, net	Gross Amount	Amount, net
Current	\$ 6,097	\$ 6,097	\$ 4,940	\$ 4,940
Past due 1-90 days	5,112	4,491	4,259	4,096
Past due over 90 days	532	262	866	184
	\$ 11,741	\$ 10,850	\$ 10,065	\$ 9,220

Specific provisions are made against trade receivables for any customer that is known to be impaired due to poor financial condition or for any other reason it is considered doubtful that the customer's balance outstanding will be settled in full. As a percentage of revenue, the Company's actual credit loss experience to date has not been material. The Company has recorded a cumulative impairment allowance of \$891 with respect to trade and other receivables as at June 30, 2023 (as at December 31, 2022 - \$845).

The following table presents the reconciliation of the loss allowance:

Balance, December 31, 2022	\$ 845
Bad debt expense	92
Recoveries	(33)
Amounts written off	(63)
Effect of movement in exchange rates	50
Balance, June 30, 2023	\$ 891

22. Financial instruments

Financial instruments carried at amortized cost:

The fair value of cash, trade and other receivables, notes receivable and accounts payable and accrued liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments.

Convertible debentures were recorded at fair value on initial recognition. Factors impacting fair value, such as discount rate, have not changed materially as at June 30, 2023, therefore amortized cost of convertible debentures approximates fair value.

Long-term debt is subject to variable market rates of interest, therefore amortized cost approximates fair value.

The Company's title and closing services requires it to hold cash in escrow accounts that it does not own. Accordingly, cash held in escrow, including escrow receivables and escrow liabilities, are not recorded as assets or liabilities on the Company's consolidated statements of financial position. All cash held in escrow is deposited in non-interest-bearing bank accounts. Voxtur is the escrow agent and as such bears full risk of loss. As at June 30, 2023, the balance of escrow accounts was \$3,514 (December 31, 2022 - \$4,373).

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Financial instruments carried at fair value:

Fair value hierarchy

Financial instruments recorded at fair value are classified using a fair value hierarchy that reflects the significance of inputs used in making the measurements.

Classification of inputs for purposes of valuation:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2 inputs are inputs other than quoted prices in level 1 that are observable for the assets or liability either directly (i.e., prices) or indirectly (i.e., derived from prices); and
- Level 3 inputs are inputs for assets or liabilities that are not based on observable market data (i.e., unobservable inputs).

Private equity investment:

In October 2018, the Company made an equity investment of \$1,000,000 USD in a private New York based software company. The Company's investment currently represents approximately 8% of the total equity issued by the software company. On initial recognition, the financial asset was recorded at fair value. An election was made to classify the equity instrument as FVOCI. Under this classification, any changes in fair value are recorded in other comprehensive income with no subsequent reclassification to profit or loss. The Company made this election because the investment is not held with the intent of short-term trading.

The fair value of the equity investment as at June 30, 2023 was estimated using a market-based approach. Key unobservable inputs of the market value included progress towards operational milestones and growth of the client and market base. Due to the significant measurement uncertainty inherent in the valuation of this investment, the fair value could materially differ from that recognized in the statement of financial position.

The following table shows a reconciliation, in both USD and CAD for fair value measurements in Level 3 of the fair value hierarchy for the period ended June 30, 2023:

	USD		CAD	
Balance at December 31, 2022	\$	2,748	\$	3,723
Foreign exchange and other movements		-		(81)
Balance at June 30, 2023	\$	2,748	\$	3,642

The Company held no investments classified as level 1 and 2 of the fair value hierarchy in the three and six months ended June 30, 2023 and for the year ended December 31, 2022.

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23. Subsequent events

Private Placement

Subsequent to June 30, 2023, the Company closed two additional tranches of the June 2023 Offering, see Note 12(a), for gross proceeds of approximately \$7,390.

Share-related transactions

Subsequent to June 30, 2023, the following share-related transactions occurred:

- 36,951,765 Common Shares and 36,951,765 Series R Warrants were issued in relation to the second and third tranches of the June 2023 Offering;
- 7,314,122 Common Shares were issued in relation to an earnout provision of a business acquisition completed in December 2021; and
- 313,676 Performance Share Units were converted to Common Shares.