Voxtur Analytics Corp.

Consolidated Financial Statements

For the years ended December 31, 2023 and 2022

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

To the Shareholders of Voxtur Analytics Corp.:

Opinion

We have audited the consolidated financial statements of Voxtur Analytics Corp. and its subsidiaries (the "Company"), which comprise the consolidated statements of financial position as at December 31, 2023 and December 31, 2022, and the consolidated statements of loss and comprehensive loss, changes in shareholders' equity and cash flows for the years then ended, and notes to the consolidated financial statements, including material accounting policy information.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Company as at December 31, 2023 and December 31, 2022, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with International Financial Reporting Standards.

Basis for Opinion

We conducted our audits in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditor’s Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audits of the consolidated financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material Uncertainty Related to Going Concern

We draw attention to Note 2 in the consolidated financial statements, which indicates that the Company incurred a net loss during the year ended December 31, 2023 and, as of that date, the Company had a working capital deficiency and an accumulated deficit. As stated in Note 2, these events or conditions, along with other matters as set forth in Note 2, indicate that a material uncertainty exists that may cast significant doubt on the Company’s ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

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Impairment Analysis of Goodwill

Key Audit Matter Description

As described in Note 9 to the consolidated financial statements, the Company has goodwill of $21,576,000 allocated between its different cash generating units ("CGUs"). During the year, the Company sold one of their CGUs, Appraisal Services, resulting in a disposition of $10,967,000 of goodwill.

The Company conducts an impairment test annually, or whenever certain events or changes in circumstances indicate that the carrying value may be greater than the recoverable amount. For the purpose of impairment testing, assets are grouped together into the smallest group of assets that generate cash inflows from continuing use that are largely independent of cash inflows of other assets or groups of assets. Management uses the greater of fair value less costs of disposal method and value in use to determine the recoverable amount for all its CGUs. The Company discloses their approach in respect of impairment in Note 9 to the consolidated financial statements.

We considered this to be a key audit matter due to the significant judgment made by management in estimating the recoverable amount for goodwill and a high degree of auditor judgment, subjectivity and effort in performing procedures and evaluating audit evidence relating to management's estimates.

Audit Response

We responded to this matter by performing procedures over the impairment analysis of goodwill. Our audit work in relation to this included, but was not restricted to, the following:

- Obtained an understanding of management's process for developing the value in use using discounted future cash flows.
- Obtained an understanding of management's internal control process as it relates to the determination of key inputs and assumptions.
- Evaluated the appropriateness of the discounted cash flow model by testing the completeness, accuracy, and relevance of underlying data used in the cash flow model.
- Tested the discounted cash flow models for mathematical accuracy.
- Evaluated management's assumptions related to revenue growth rates, ratio of expenses to revenue and capital expenditures by considering the current and past performance of the CGU, available industry data, and whether these assumptions were consistent with evidence obtained in other areas of the audit.
- Performed sensitivity analyses over discounted cash flow inputs to assess impact on fair value by using internal valuation professionals with specialized skills and knowledge.
- Assessed the appropriateness of the disclosures relating to the assumptions used in the impairment assessment in the notes to the consolidated financial statements.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with International Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audits and significant audit findings, including any significant deficiencies in internal control that we identify during our audits.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditor's report is Shaila Rani Mehta.

MNP LLP

Mississauga, Ontario | Chartered Professional Accountants

April 29, 2024 | Licensed Public Accountants

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

As at	Note		December 31, 2023		December 31, 2022
Assets					
Current Assets:					
Cash		$	5,626	$	5,908
Trade and other receivables, net	*26*		7,234		9,220
Trade receivables, due from related parties, net	*17*		20		12,220
Contract assets	*6*		493		297
Prepaid expenses and other current assets			1,293		1,110
Notes receivable, due from related parties, net	*17*		-		2,709
			14,666		31,464
Non-current Assets:					
Other non-current assets			368		400
Contract assets	*6*		306		654
Investment	*27*		3,642		3,723
Interest in joint ventures			286		256
Right-of-use assets	*10*		1,570		1,718
Equipment	*7*		393		532
Intangible assets	*8*		58,897		97,067
Goodwill	*9*		21,576		32,529
			87,038		136,879
Total Assets		$	101,704	$	168,343
Liabilities and Shareholders' Equity					
Current Liabilities:					
Line of credit	*14*	$	1,000	$	-
Accounts payable and accrued liabilities			7,194		13,767
Unearned revenue	*12*		4,522		4,055
Provision	*25*		-		1,576
Lease obligations	*13*		406		288
Current portion of long-term debt	*14*		35,399		10,580
Deferred consideration	*19*		778		1,833
			49,299		32,099
Non-current Liabilities:					
Accrued liabilities			622		107
Unearned revenue	*12*		941		1,990
Lease obligations	*13*		1,275		1,444
Long-term debt	*14*		-		50,097
Convertible debentures			4		102
Contingent consideration	*19*		-		1,902
Preferred share liability	*15*		3,868		3,795
Deferred tax liability	*11*		876		2,010
			7,586		61,447
Shareholders' Equity			44,819		74,797
Total Liabilities and Shareholders' Equity		$	101,704	$	168,343
Going concern uncertainty	*2(a)*				
Commitments and contingencies	*25*				
Subsequent events	*28*				

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

Voxtur Analytics Corp.
Consolidated Statements of Loss and Comprehensive Loss
(In thousands of Canadian dollars, except per share amounts)

	Note		Year ended December 31, 2023		December 31, 2022 (Revised - Note 4)
Revenue	*17, 18*	$	48,959	$	60,208
Direct operating expenses			17,432		32,221
Gross profit			31,527		27,987
Other operating expenses:					
Technology and operations			26,869		21,072
Selling and business development			6,555		7,768
General and administration			46,582		51,205
			80,006		80,045
Loss from operations			(48,479)		(52,058)
Other income			(641)		66
Change in contingent consideration	*19*		695		274
Impairment loss	*20*		(8,591)		(185,430)
Dividend expense	*15*		(515)		(107)
Finance costs, net	*22*		(8,575)		(3,419)
Foreign exchange gain (loss)			(2,345)		5,963
Loss for the year before income tax		$	(68,451)	$	(234,711)
Income tax recovery	*11*		1,077		17,759
Net loss from continuing operations		$	(67,374)	$	(216,952)
Income from discontinued operations after tax	*4*	$	3,790	$	4,200
Gain on disposal of discontinued operations	*4*		8,453		-
Net income from discontinued operations	*4*	$	12,243	$	4,200
Net loss for the year		$	(55,131)	$	(212,752)
Other comprehensive income (loss):					
Items that will not be reclassified to loss for the period:					
Change in fair value of investment	*27*		(81)		17
Foreign exchange gain on the translation of foreign continuing operations			329		4,027
Foreign exchange gain on the translation of foreign discontinued operation	*4*		633		2,323
			881		6,367
Comprehensive loss for the year		**$**	**(54,250)**	**$**	**(206,385)**
Weighted average number of common shares					
Basic and diluted	*23*		633,166,378		549,525,576
Loss per share from continuing operations					
Basic and diluted	*23*	$	(0.11)	$	(0.39)
Income per share from discontinued operation					
Basic and diluted	*23*	$	0.02	$	0.01

The accompanying notes are an integral part of these Consolidated Financial Statements.
Comparative periods have been restated due to a discontinued operation and change in classification as discussed in Note 4.

Voxtur Analytics Corp.
Consolidated Statements of Changes in Shareholders' Equity
(In thousands of Canadian dollars)

Year ended December 31, 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 year		-	-	-	-	(67,374)	-	(67,374)
Income from discontinued operation	*4*					12,243	633	12,876
Other comprehensive income:								-
Change in fair value of investment	*27*	-	-	-	-	-	(81)	(81)
Foreign exchange gain on the translation of foreign operations		-	-	-	-	-	329	329
Comprehensive income (loss) for the year		-	-	-	-	(55,131)	881	(54,250)
Issuance of common shares and warrants	*16 (a)*	28,076	4,334	(7,936)	(11,917)	-	-	12,557
Conversion of debentures	*16 (b)*	100	-	-	(13)	-	-	87
Debenture interest settled by share issuance	*16 (b)*	11	-	-	-	-	-	11
Warrants expired	*16 (e)*	-	(320)	320	-	-	-	-
Conversion of restricted share units	*16 (c)*	59	-	(59)	-	-	-	-
Conversion of performance share units	*16 (d)*	439	-	(439)	-	-	-	-
Share-based compensation	*21*	-	-	11,617	-	-	-	11,617
Balance at December 31, 2023		$ 299,407	$ 4,483	$ 28,917	$ 28,877	$ (325,113)	$ 8,248	$ 44,819

Year ended December 31, 2022

	Note	Common share capital	Warrant capital	Contributed surplus	Other reserve	Deficit	AOCI[1]	Total Equity
Balance, December 31, 2021		$ 236,846	$ 1,166	$ 18,776	$ 36	$ (57,230)	$ 1,000	$ 200,594
Net loss for the year		-	-	-	-	(216,952)	-	(216,952)
Income from discontinued operation						4,200	2,323	6,523
Other comprehensive income (loss):								
Change in fair value of investment	*27*	-	-	-	-	-	17	17
Foreign exchange gain on the translation of foreign operations		-	-	-	-	-	4,027	4,027
Comprehensive income (loss) for the year		-	-	-	-	(212,752)	6,367	(206,385)
Deferred consideration		-	-	-	54,857	-	-	54,857
Issuance of common shares, warrants and convertible debentures		26,622	149	-	(14,223)	-	-	12,548
Issuance of Series 2 preference shares		-	-	-	160	-	-	160
Conversion of debentures		169	-	-	(23)	-	-	146
Debenture interest settled by share issuance		7	-	-	-	-	-	7
Warrants exercised		3,947	(845)	-	-	-	-	3,102
Warrants expired		-	(1)	1	-	-	-	-
Options exercised		58	-	(24)	-	-	-	34
Conversion of restricted share units		1,811	-	(1,811)	-	-	-	-
Conversion of deferred share units		1,262	-	(1,262)	-	-	-	-
Share-based compensation	*21*	-	-	9,734	-	-	-	9,734
Balance at December 31, 2022		$ 270,722	$ 469	$ 25,414	$ 40,807	$ (269,982)	$ 7,367	$ 74,797

[1] *AOCI is defined as Accumulated other comprehensive income.*

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

Comparative periods have been restated due to a discontinued operation and change in classification as discussed in Note 4.

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

Year ended	Note	December 31, 2023	December 31, 2022
Cash flows from operating activities			
Net loss from continuing operations		$ (67,374)	$ (216,952)
Income from discontinued operation		12,243	4,200
Adjustments to reconcile from net loss to cash flows from operating activities:			
Gain on disposal of equipment		-	(2)
Gain on lease modification		-	(28)
Gain on disposal of discontinued operations	*4*	(8,453)	-
Impairment loss	*20*	8,591	185,430
Dividend expense	*15*	515	107
Depreciation of equipment	*7*	184	194
Amortization of intangible assets	*8*	14,163	15,748
Depreciation of right-of-use assets	*10*	455	665
Provision on note receivable, due from related party	*17*	1,325	-
Bad debt recovery		36	12
Unrealized foreign exchange gain		1,148	(5,949)
Change in contingent consideration	*19*	(695)	(274)
Finance costs, net	*22*	8,575	3,419
Income tax recovery	*11*	(1,077)	(17,759)
Share-based compensation expense		11,617	9,734
		(18,747)	(21,455)
Changes in non-cash operating assets and liabilities	*24*	(3,292)	1,512
Interest paid		(6,750)	(2,442)
Interest received		13	35
Tax credits received		154	-
Cash used in operating activities		(28,622)	(22,350)
Cash flows from financing activities			
Repayment of lease obligations	*13*	(481)	(688)
Repayment of long-term debt	*14*	(25,874)	(4,500)
Proceeds from sale of promissory note	*17*	10,430	-
Proceeds from credit facility	*14*	1,000	40,035
Proceeds from issuance of common shares	*16 (a)*	11,690	12,505
Proceeds from warrants exercised	*16 (g)*	-	3,102
Proceeds from options exercised	*16 (e)*	-	39
Proceeds from issuance of preferred shares	*15*	-	4,000
Payment of deferred consideration	*19*	(1,056)	-
Debt and equity issuance costs		(870)	(2,755)
Cash provided by (used in) financing activities		(5,161)	51,738
Cash flows from investing activities			
Proceeds from note receivable, due from related parties	*17*	1,200	-
Advance of convertible promissory note		-	(1,252)
Purchase of MTE, net of cash received	*5*	-	(2,861)
Purchase of Blue Water, net of cash received	*5*	-	(37,968)
Proceeds from disposal of discontinued operations	*4*	32,554	-
Purchase of equipment	*7*	(38)	(184)
Proceeds on disposal of equipment and leasehold improvements	*7*	1	3
Cash provided by (used in) investing activities		33,717	(42,262)
Decrease in cash for the year		(66)	(12,874)
Effect of exchange rate fluctuations on cash		(216)	99
Cash - beginning of year		5,908	18,683
Cash - end of year		$ 5,626	$ 5,908

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

Comparative periods have been restated due to a discontinued operation and change in classification as discussed in Note 4.

1. Corporate information

Voxtur Analytics Corp. (the "Company") 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 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 and 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 its business acquisitions, its planned growth initiatives, to obtain continued support from its lender or to raise additional financing through the sale of its debt and equity securities, and/or disposition of non-core assets.

The Consolidated 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 from continuing operations of $67,374 during the year ended December 31, 2023 (year ended December 31, 2022 - $216,952). As at December 31, 2023, the Company had an accumulated deficit of $325,113 (as at December 31, 2022 - $269,982) and a working capital deficiency of $34,633 (as at December 31, 2022 - $635).

As at December 31, 2023, the Company was not in compliance with 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 December 31, 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 $28,405, as a current liability. In April 2024, amendments to the Company's credit agreement (the "Amendment") were executed, which waives breaches of covenants that existed prior to the date of the Amendment, and establishes revised covenants, as discussed in Note 28.

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

The Consolidated 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 Consolidated Financial Statements. These adjustments could be material.

(b) Statement of compliance

The Consolidated Financial Statements have been prepared by management in compliance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB").

The Consolidated Financial Statements for the years ended December 31, 2023 and 2022 were authorized for issuance by the Board of Directors of the Company on April 29, 2024.

(c) Consolidation

The Consolidated 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[4]	0%	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 Consolidated Financial Statements.
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. See note 4 – Disposal with respect to Voxtur Services, LLC and Voxtur Appraisal Services, 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 Consolidated Financial Statements are prepared mainly on the historical cost basis, except for the investment 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 Consolidated Statements of Loss and Comprehensive Loss are presented using the functional classification for expenses.

(e) Functional and presentation currency

These Consolidated 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 Consolidated Financial Statements of the subsidiary are measured using that functional currency.

(f) Use of estimates and judgements

The preparation of these Consolidated Financial Statements requires management to apply judgement when making estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income, and expenses. Actual results could differ materially from these estimates.

Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected. Key areas of judgement and estimation are as follows:

Going concern

In order asses the going concern assumption, Management is required to make various estimates and judgements with respect to future cash inflow and outflows.

Right-of-Use Assets and Lease Obligations

To account for Right-of-Use Assets and Lease Obligations, Management is required to make estimates and judgements with respect to the Company's internal borrowing rate and expected future actions regarding lease option renewals.

Allowance for expected credit losses

The recognition of allowance for credit losses requires the Company to assess credit risk and collectability. The Company considers historical trends and any available information indicating a customer could be experiencing liquidity or going concern problems and the status of any contractual disputes with customers in performing this assessment.

Financial instruments measured at fair value

In order to determine the fair value of financial instruments, management is required to use judgement and estimates in the selection of valuation methodology and the related inputs. The fair value of financial instruments is assessed at each reporting period, and the cumulative effect of any change is recognized in that period.

Revenue recognition

Management is required to make judgements as to whether multiple products or services sold in a contract are considered distinct and should be accounted as separate performance obligations, or together as a combined performance obligation.

Revenue from sales arrangements that include multiple performance obligations is allocated based on an estimated stand-alone selling price of each performance obligation in the contract. Stand-alone selling price is established based on observable prices for the same or similar service when sold separately or estimated using a cost-plus margin approach when not sold separately. In order to allocate the total revenue from an arrangement with multiple elements, management is required to estimate the stand-alone selling price of each of those elements. These estimates can affect the timing of revenue recognition over the term of the sales arrangement.

For arrangements recognized over a period of time, management uses judgement as to the pattern of recording the revenue and as to the expected renewal options in the contract.

In certain sales arrangements, management must also use judgement in determining whether the Company is acting as an agent or principal in a transaction based on an evaluation of which party controls the asset before it is transferred to the customer. Judgement is required in each applicable sales arrangement and all relevant facts and circumstances must be considered.

Share-based compensation – stock options

Management is required to make certain estimates and assumptions when determining the grant date fair value of stock option awards and the number of awards that are expected to vest. Fair value is determined using the Black-Scholes option pricing model. Estimates are made with respect to expected share volatility, risk-free rate and expected life. Service and performance conditions are not taken into account in determining fair value. Vesting of options with non-market performance conditions is based on achievement of specific milestones for which management must estimate a date of completion. These estimates are reviewed at each reporting period, and the cumulative effect of the change is recognized in that period.

Share based compensation – performance share units ("PSUs")

Management is required to make certain estimates when determining the vesting period of PSUs. Vesting of PSUs. Vesting of PSUs with non-market performance conditions is based on achievement of specific milestones for which management must estimate a date of completion. These estimates are reviewed at each reporting period, and the cumulative effect of the change is recognized in that period.

Warrants

Management is required to make certain estimates and assumptions when determining the fair value of warrants. Fair value is determined using the Black-Scholes option pricing model. Estimates are made with respect to inputs to the Black-Scholes option pricing model including expected share volatility, risk-free rate and expected life.

Intangible assets

Management is required to make certain estimates related to the expected useful lives of intangible assets, upon which amortization for those assets are based.

Impairment of non-financial assets

Management exercises judgement in assessing whether there are indications that an asset may be impaired. Factors considered include whether an active market exists for the output produced by the asset or group of assets, as well as how management monitors and makes decisions about the Company's operations.

Management must also use judgement in regularly assessing whether any previously recorded impairment losses should be reversed.

Income tax

Management is required to apply judgement in determining, on an entity-by-entity basis, whether it is probable that deferred income tax assets will be realized.

In addition, the measurement of income taxes payable and deferred income tax assets and liabilities requires management to make judgements in the interpretation and application of the relevant tax laws. The actual amount of income taxes only becomes final upon filing and acceptance of the tax return by the relevant authorities, which occurs subsequent to the issuance of the Consolidated Financial Statements.

Determination of purchase price allocations

Estimates are made in determining the fair value of assets and liabilities, including the valuation of separately identifiable intangibles and goodwill, acquired as part of an acquisition. To determine the fair values of the identified assets and liabilities the Company uses the discounted cash flow method and other accepted valuation techniques. These methodologies require assumptions about business strategies, growth rates, operating costs, discount rates and other economic factors.

Compound financial instruments - convertible debentures

In order to determine the appropriate allocation between the equity and liability components of compound financial instruments, management must determine the fair value of a similar liability that does not contain an equity component. Determining this fair value requires management to make assumptions with respect to the expected future amount and timing of cash outflows and an appropriate discount rate to calculate present value.

Management also identifies and determines the fair value of embedded derivatives, including the extension option and redemption option contained in the convertible debentures, which requires estimates and judgements including but not limited to determining whether an embedded derivative is separated, discount rates, probability of debenture conversion, and future interest rates.

3. Material accounting policies

The material accounting policies set out below have been applied consistently to all periods presented in these Consolidated Financial Statements, unless otherwise indicated.

Except as noted below, there were no new accounting standards or interpretations adopted in the year.

The accounting policies have been consistently applied by the Company's subsidiaries.

(a) ***Accounting policy changes***

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 require companies to disclose their material accounting policy information, rather that their significant accounting policies. Also, guidance is provided on how to apply the concept of materiality to accounting policy disclosures. The amendments are effective for annual periods beginning on or after January 1, 2023. Earlier application is permitted. Adoption of these amendments did not have a material impact on the Company's Consolidated Financial Statements.

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 changes in accounting policies from changes in accounting estimates. Changes in accounting estimates are applied prospectively only to future transactions and other future events, but changes in accounting policies are generally also applied retrospectively to past transactions and other past events. The amendments are effective for annual reporting periods beginning on or after January 1, 2023. Earlier application is permitted. Adoption of these amendments did not have a material impact on the Company's Consolidated Financial Statements.

(b) Equipment

Equipment is stated at cost less accumulated depreciation. Cost includes expenditures that are directly attributable to the acquisition of the asset. When significant parts of an item of equipment have different useful lives, those components are accounted for as separate items of equipment and amortized separately.

Gains and losses on disposal are determined by comparing the proceeds from disposal with the carrying amount of equipment and are recognized in the consolidated statements of loss and comprehensive loss.

Equipment is depreciated over the estimated useful life of the asset based on the following:

Asset	Rate	Method of Amortization	Recorded as
Computer hardware	30%	Declining balance	Direct operating expenses and General and administration expenses
Equipment – StreetScape Imaging	2-4 years	Straight-line	Direct operating expenses
Furniture and equipment	20%	Declining balance	General and administration expenses
Leasehold improvements	lease term	Straight-line	General and administration expenses
Vehicles	30%	Declining balance	Direct operating expenses

Management reviews depreciation methods and rates annually and adjusts depreciation accordingly on a prospective basis.

(c) Financial instruments

Financial assets and financial liabilities are recognized when the Company becomes a party to the contractual provisions of the instrument.

Trade receivables without a significant financing component are initially measured at the transaction price. All other financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issuance of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss ("FVTPL")) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or FVTPL are recognized immediately in profit or loss.

(c) Financial assets

Recognition and de-recognition

All financial assets are recognized and de-recognized on trade date.

The Company determines the classification of its financial assets on the basis of both the business model for managing the financial assets and the contractual cash flow characteristics of the financial asset. Financial assets are not reclassified subsequent to their initial recognition unless the Company changes its business model for managing financial assets.

A financial asset is measured at amortized cost if it is held within a business model whose objective is to hold assets to collect contractual cash flows, and its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Equity investments that are held for trading are classified at FVTPL. For other equity instruments, the Company can make an irrevocable election to designate the asset at fair value through other comprehensive income ("FVOCI") at initial recognition. The election is available on an individual investment-by-investment basis. Amounts presented in other comprehensive income will not be reclassified to the consolidated statements of loss and comprehensive loss at a later date.

The Company's financial assets are classified as follows:

Financial asset	Classification under IFRS 9
Cash	Amortized cost
Trade and other receivables	Amortized cost
Note receivable	Amortized cost
Investment	FVOCI

Subsequent measurement

Financial assets at amortized cost are measured using the effective interest method, less any impairment. Interest income is recognized by applying the effective interest rate except for short-term receivables where the interest revenue would be immaterial. Interest income, foreign exchange gains and losses, impairment, and any gain or loss on de-recognition are recognized in the consolidated statement of loss and comprehensive loss.

Financial assets at FVTPL are measured at fair value. Net changes in the fair value are recognized in the consolidated statements of loss and comprehensive loss.

Financial assets at FVOCI are measured at fair value. Net changes in the fair value are recognized in other comprehensive income.

Impairment

The Company applies the expected credit loss model to financial assets at amortized cost, contract assets and debt instruments measured at FVOCI. The Company measures loss allowances at an amount equal to the lifetime expected credit losses ("ECLs") in accordance with the 'simplified approach' available under the standard. Under this approach, loss allowances on trade accounts receivable are always measured at lifetime ECLs.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Company's historical experience and informed credit assessment and includes forward-looking information.

Financial liabilities

Recognition and de-recognition

The Company determines the classification of its financial liabilities at initial recognition.
The Company's financial liabilities are classified as follows:

Financial liability	Classification
Accounts payable and accrued liabilities	Amortized cost
Long term debt	Amortized cost
Convertible debentures – liability component	Amortized cost
Preferred share liability	Amortized cost
Deferred consideration	Amortized cost
Contingent consideration	FVTPL

The Company de-recognizes financial liabilities when the Company's obligations are discharged, cancelled or they expire.

Subsequent measurement

Financial liabilities at amortized cost are measured using the effective interest rate method. Financial liabilities classified as FVTPL are measured at fair value at each reporting period, with net changes in the fair value recognized in the consolidated statements of loss and comprehensive loss.

Compound financial instruments

The financial liability component of a compound financial instrument is recognized initially at the fair value of a similar liability that does not have an equity conversion option. The equity component, representing the holders' option to convert into common shares, is recognized initially at fair value determined as the excess of the face value of the compound financial instrument and the fair value of the liability component. Any directly attributable transaction costs are allocated to the liability and equity components in proportion to their initial carrying amounts.

Subsequent to initial recognition, the liability component of a compound financial instrument is measured at amortized cost using the effective interest method. The equity component of a compound financial instrument is not re-measured subsequent to initial recognition.

Interest, dividends, losses and gains relating to the financial liability are recognized in the consolidated statements of loss and comprehensive loss.

(d) ***Business combinations***

Acquisitions of subsidiaries and businesses are accounted for using the acquisition method. The Company measures goodwill as the fair value of the consideration transferred, less the fair value of the net recognized amount of identifiable assets and liabilities assumed, all measured as of the acquisition date. Any excess of the fair value of the net assets acquired over the assumed consideration paid is recognized as a gain in the consolidated statements of loss and comprehensive loss.

Transaction costs, other than those associated with the issue of debt or equity securities, that the Company incurs in connection with a business combination are expensed as incurred.

(e) Leases

At inception of a contract, the Company assesses whether a contract is, or contains, a lease based on whether the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

The Company recognizes a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured based on the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received. The assets are depreciated to the earlier of the end of useful life of the right-of-use asset or the lease term using the straight-line method as this most closely reflects the expected pattern of consumption of the future economic benefits. The lease term includes periods covered by an option to extend if the Company is reasonably certain to exercise that option. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Company's incremental borrowing rate. Generally, the Company uses its incremental borrowing rate as the discount rate. Variable lease payments that do not depend on an index or rate are not included in the measurement of the lease liability.

The lease liability is measured at amortized cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Company's estimate of the amount expected to be payable under a residual value guarantee, or if the Company changes its assessment of whether it will exercise a purchase, extension or termination option.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset or is recorded in the consolidated statements of loss or comprehensive loss if the carrying amount of the right-of-use asset has been reduced to zero.

The Company has elected to apply the practical expedient not to recognize right-of-use assets and lease liabilities for short-term leases that have a lease term of 12 months or less and leases of low-value assets. The lease payments associated with these leases is recognized as an expense on a straight-line basis over the lease term.

(f) Intangible assets

Intangible assets are recorded at fair value on the date of acquisition. In subsequent reporting periods, intangible assets are stated at cost less accumulated amortization and accumulated impairment losses.

Amortization is recorded on a straight-line basis over the expected useful life of the intangible asset based on the following:

Asset	Expected Life	Recorded as
Computer software	2-7 years	Technology and operations expenses
Customer relationships	7–15 years	General and administration expenses
Tradenames	7 years	General and administration expenses

Annually, management reviews the appropriateness of the estimated useful lives and amortization method, with the effect of any changes in estimate accounted for on a prospective basis.

(g) Goodwill

Goodwill represents the excess of the price paid for the acquisition of an entity over the fair value of the net identifiable tangible and intangible assets and liabilities acquired. Goodwill is measured at historical cost and is evaluated for impairment annually or more often if events or circumstances indicate there may be an impairment. Impairment is determined for goodwill by assessing if the carrying value of cash generating units ("CGUs") which comprise the CGU segment, including goodwill, exceeds its recoverable amount determined as the greater of the estimated fair value less costs to sell and the value in use. Impairment losses recognized in respect of the CGUs are first allocated to the carrying value of goodwill and any excess is allocated to the carrying amount of assets in the CGUs. Any goodwill impairment is recorded in income in the reporting year in which the impairment is identified. Impairment losses on goodwill are not subsequently reversed.

(h) Impairment of non-financial assets

At each reporting date, the Company's non-financial assets, such as equipment, intangible assets and right-of-use assets are reviewed to determine whether there is an indication that those assets are impaired. If such an indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment, if any. If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount and the impairment loss is recognized in the consolidated statements of loss and comprehensive loss. For purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generate cash flows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (CGU).

At each reporting date, management assesses whether there is an indication that a previously recognized impairment loss has reversed, and accordingly whether the impairment loss should be reversed.

The recoverable amount of an asset or CGU is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted at a rate that reflects current market assessments of the time value of money and the risks specific to the assets. For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generate cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets.

An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. When an impairment loss is subsequently reversed, the carrying amount of the asset is increased to the revised estimate of its recoverable amount so that the increased carrying amount does not exceed the carrying amount that would have been recorded had no impairment losses been recognized for the asset in prior years.

(i) Revenue from contracts with customers

Revenue is recognized in a manner that depicts the transfer of promised goods or services to a customer and at an amount that reflects the expected consideration receivable in exchange for transferring those goods or services. This is achieved by applying the following five steps:

1. Identify the contract with a customer;
2. Identify the performance obligations in the contract;
3. Determine the transaction price;
4. Allocate the transaction price to the performance obligations in the contract; and
5. Recognize revenue when (or as) the entity satisfies a performance obligation.

The Company earns revenue primarily from providing access to real property related data and imagery, access to real property related web-based applications and other related services, on either a subscription or usage basis. The Company also generates revenue from the provision of professional and other services on either a time and materials or fixed fee basis.

Subscription-based revenue is recognized ratably over the contract period commencing on the date an executed contract exists and the customer has the right and ability to access the application. Billing terms of such subscriptions are typically in advance of service on a monthly, quarterly, or annual basis. Revenue from subscription-based arrangements that involve complex implementation or customization that is not distinct, is recognized as a combined performance obligation and recognized ratably over the remaining contract term, including any expected renewal periods.

Usage-based revenue is recorded at a point in time, being when the customer takes control of the asset (i.e. the point at which the Company has no current or future obligations to the customer). Generally, usage-based revenue is billed monthly in arrears.

Professional and other services revenue is typically billed monthly in arrears of services provided on a time and material basis, and revenue is recognized over time as the services are performed. For professional and other services contracts billed on a fixed-price basis, revenue is recognized over time based on the proportion of services performed.

The services and products offered by the Company can be sold on a stand-alone basis or in a sales arrangement containing multiple performance obligations. Revenue from sales arrangements that include multiple performance obligations is allocated based on an estimated stand-alone selling price of each performance obligation in the contract. The best evidence of a stand-alone selling price is the observable price of a service or product when it is sold separately in similar circumstances and to similar customers. If a stand-alone selling price is not directly observable, the stand-alone selling price is estimated taking into account reasonably available information relating to market conditions and entity-specific factors.

At each reporting period, there are unfulfilled performance obligations for which the Company has collected funds and deposits. These amounts relate to various licenses and services and are recorded as current and non-current unearned revenues.

(j) Contract assets

Acquisition costs that are incremental to obtaining the contract and contract fulfillment costs that are directly attributable to a sales contract, that enhance the resources of the Company to satisfy performance obligations of the sales contract in the future, and that are expected to be recovered, are recorded as a contract asset. Contract assets are recognized as an expense on a systematic basis that is consistent with the transfer to the customer of the goods and services to which the asset relates.

Contract acquisition assets of the Company are typically comprised of royalties and commissions, and contract fulfillment assets are typically comprised of imagery capture and processing costs.

(k) Income taxes

Income tax expense comprises current and deferred tax. Current tax and deferred tax are recognized through profit or loss unless they arise from business combinations or items charged directly to equity or in other comprehensive loss.

Current tax is the expected taxes payable or receivable within the following twelve months and is based on taxable income or loss using tax rates enacted or substantively enacted at the reporting date in the countries where the Company operates and generates taxable income, combined with any adjustments to taxes payable in respect of previous years.

Deferred tax assets and liabilities are recognized based on temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The amount of deferred tax provided is based on the expected manner of realization or settlement of the carrying amount of assets and liabilities using tax rates enacted or substantively enacted at the reporting date.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income tax levies by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realized simultaneously.

A deferred tax asset is recognized only to the extent that it is probable that future taxable profits will be available against which the asset can be utilized. Deferred tax assets are reduced when, in management's judgement, it is no longer probable that the related tax benefit will be realized.

(l) Short-term employee benefits

Short-term employee benefit obligations including wages, benefits and bonuses, are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognized for the amount expected to be paid in relation to bonuses if the Company has a present legal or constructive obligation to pay this amount as a result of past service by the employee and the obligation can be estimated readily.

(m) Investment tax credits and government assistance

The Company applies for investment tax credits and government assistance under various programs. When the Company has reasonable assurance that the funding will be received, the amount can be reasonably estimated and when the Company has complied with conditions of the funding, they are accounted for as other income.

(n) Finance income and finance costs

Finance income comprises interest income and finance costs comprise interest on long-term debt which are recognized in the consolidated statements of loss and comprehensive loss as they accrue using the effective interest method.

(o) Foreign currency translation

Transactions denominated in a foreign currency are translated into Canadian dollars using the exchange rates prevailing at the dates of the transaction. Monetary assets and liabilities denominated in a foreign currency are translated into Canadian dollars at the rates of exchange in effect at each reporting date. Foreign exchange gains and losses on monetary items are recognized in the consolidated statements of loss and comprehensive loss.

Equity investment classified as FVOCI denominated in a foreign currency is translated into Canadian dollars at the rates of exchange in effect at each reporting date. All resulting changes are recognized in other comprehensive loss.

Assets and liabilities, including goodwill and fair value adjustments arising on acquisitions, of a foreign operation that has a functional currency other than the Canadian dollar are translated into Canadian dollars at the reporting date exchange rate, and profit and loss activity is translated using the average exchange rate for the period. All resulting changes are recognized in other comprehensive loss. Foreign exchange gain or loss on the translation of foreign operations will not be classified to the consolidated statements of loss and comprehensive loss until the disposal or loss of control of the foreign operation.

(p) Share-based compensation

Stock options
All stock options granted to employees, directors and contractors are settled with common shares of the Company. The expense and corresponding increase in contributed surplus in shareholders' equity are determined based on the grant date fair value of the award and recognized using the graded method over the period that the employees unconditionally become entitled to the awards. Upon the exercise of the option, consideration received, together with the amount previously recognized in contributed surplus, is recorded as an increase to share capital.

The amount recognized as an expense is adjusted to reflect the number of awards for which the related service and non-market vesting conditions are expected to be met, such that the amount ultimately recognized as expense is based on the number of awards that meet the related service and non-market performance conditions at the vesting date.

For awards with non-vesting conditions, the grant date fair value is measured to reflect such conditions and there is no adjustment for the difference between expected and actual outcomes.

Stock options issued to contractors are measured based on the fair value of the goods and services received unless that fair value cannot be estimated reliably. If the fair value of the goods and services cannot be reliably measured, then the fair value of the equity instruments granted will be used to recognize the expense.

Deferred share units
The Company has a Directors' Deferred Share Unit Plan for its non-management directors. As the Company has the option and intent to settle the Deferred Share Units ("DSUs") in common shares upon the retirement of a director, upon the grant of DSUs the Company records an expense with a corresponding increase to contributed surplus.

Restricted share units
The Company has a Restricted Share Unit Plan (the "RSU Plan") for its employees, officers, directors and consultants. The RSU Plan allows employees, directors, officers and consultants to participate in the growth and development of the Company.

All Restricted Share Units ("RSUs") granted are settled with common shares of the Company. The expense and corresponding increase in contributed surplus in shareholders' equity are determined based on the grant date fair value of the award, which is based on the market price of the Company's common shares and recognized using the graded method over the period that the employees unconditionally become entitled to the awards. Upon the conversion of RSUs to common shares at the end of restricted period, the amount attributable to the RSUs that was previously recognized in contributed surplus, is recorded as an increase to share capital.

(q) Loss per share

The Company presents basic and diluted loss per share data. Basic loss per share is calculated by dividing loss for the year by the weighted average number of shares outstanding during the year. Diluted loss per share is determined by adjusting the loss attributable to common shareholders and the weighted average number of common shares outstanding for the effects of all dilutive potential common shares. When a loss is incurred, basic and diluted loss per share are the same because the effect of dilutive items becomes anti-dilutive.

(r) Joint Ventures

The Company is a party to several arrangements that provide it with rights to the net assets of those arrangements, and as such are classified as joint ventures. The equity method is used to account for these joint ventures. The Company's investment in joint ventures was initially recognized at fair value and subsequently, the Company increases or decreases the carrying amounts based on its share of each joint venture's income or loss, distributions received from the joint ventures and contributions made to the joint ventures.

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

The Company reviews its investments in joint ventures for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. If impaired, the carrying amount is written down to its estimated recoverable amount, being the higher of fair value less costs to sell and value in use and charged to the consolidated statements of loss and comprehensive loss.

4. Discontinued operations

On November 1, 2023, the Company finalized the sale of it's wholly owned appraisal management company ("AMC") business for $35,134 ($25,324 USD). Accordingly, the Company has presented its AMC business as a discontinued operation as at December 31, 2023.

Results of discontinued operations

	For year ended			
	December 31, 2023		December 31, 2022	
Revenue	$	52,066	$	90,670
Direct operating expenses		33,543		63,204
Gross profit		18,523		27,466
Other operating expenses		15,371		23,260
Other income		641		-
Finance costs, net		(3)		(6)
Income from discontinued operations after tax		3,790		4,200
Gain on sale of discontinued operations		8,453		-
Net income from discontinued operations after tax		12,243		4,200
Other comprehensive income (loss):				
Foreign exchange gain (loss) on translation of foreign operations		633		2,323
Comprehensive income from discontinued operations for the year	**$**	**12,876**	**$**	**6,523**

Cash flows provided by (used in) discontinued operations

For year ended	**December 31, 2023**		**December 31, 2022**	
Net cash provided by operating activities		5,789		9,671
Net cash provided by investing activities		32,554		-
Net cash (outflows) inflows for the year	**$**	**38,343**	**$**	**9,671**

Cash used in financing activities primarily relates to inter-company transfers of funds.

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

Effect of disposal on the financial position of the Company

		USD	CAD
Trade and other receivables, net		(3,098)	(4,299)
Prepaid expenses and other current assets		(67)	(93)
Intangible assets		(10,397)	(14,425)
Goodwill		(7,905)	(10,967)
Accounts payable and accrued liabilities		2,194	3,044
Unearned revenue		144	200
Net assets and liabilities	**$**	**(19,129)**	**(26,540)**
Consideration received in cash		23,566	32,695
Cash and cash equivalents disposed of		(102)	(141)
Net cash inflows	**$**	**23,464**	**32,554**

Components of consideration

Consideration received at closing		23,566	32,695
Consideration in escrow		1,600	2,220
Working capital adjustments		158	219
Total consideration	**$**	**25,324**	**35,134**

5. Acquisitions

MTE group

On July 1, 2022, the Company acquired Municipal Tax Equity Consultants Inc. ("MTEC") and the Company's associated entity, MTAG Paralegal Professional Corp., acquired MTE Paralegal Professional Corporation ("MTEP", and together with MTEC, "MTE"). MTE provides technology-enabled solutions to help municipal governments maximize property tax revenue, mitigate future liabilities, and manage operations from emerging opportunities, and develop property tax policy frameworks. The Company acquired MTE to expand its presence in the Municipal tax advisory and consulting sectors.

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

i. $2,534 cash consideration;
ii. 808,080 Common shares of the Company;
iii. up to 505,050 Common Shares, subject to an escrow hold period of 18 months, subject to a downward adjustment; and
iv. $500 cash, subject to an escrow hold period of 18 months.

The purchase price allocation as at July 1, 2022 is presented below.

Consideration:		**Amount**
Cash - paid on closing	$	2,537
Common shares		566
Deferred consideration		15
Common shares - held in escrow		354
Cash - held in escrow		500
Consideration transferred for the acquired business	**$**	**3,971**

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

Recognizable amounts of identiable assets acquired and liabilities assumed:		**Amount**
Cash	$	175
Accounts receivable		234
Prepaid assets		25
Capital assets		43
Intangible assets		2,470
Accounts payable and accrued liabilities		(176)
Deferred tax liability		(655)
Total identifiable net assets of acquired business	**$**	**2,116**
Goodwill		1,855
Total identifiable net assets of acquired business and goodwill	**$**	**3,971**

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 businesses.

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

From the date of the acquisition to December 31, 2022, the Company recognized revenue of $593, gross profit of $299 and comprehensive income of $54. Had the Company acquired the business January 1, 2022, the Company estimates that it would have recognized the following unaudited amounts (i) revenue of approximately $1,200; (ii) gross margin of approximately $600, and; (iii) comprehensive income of approximately $110.

Acquisition-related costs included in general and administration expense totalled $324.

Blue Water group

On September 21, 2022, the Company acquired 100% of the issued and outstanding stock of Blue Water Financial Technologies Holding Company, LLC ("Blue Water"). Blue Water is a leading provider of digital platforms to mortgage investors and mortgage lenders in the US. More specifically, Blue Water provides solutions for mortgage asset valuations and pricing, mortgage asset trading and distribution, and mortgage advisory and hedging. The Company acquired the business to diversify its revenue streams, add a profitable high growth company and create net new revenue opportunities for Voxtur's pre-acquisition products.

The consideration transferred to acquire Blue Water was comprised of the following:

i. $29,371 USD cash consideration;
ii. $1,640 USD deferred consideration;
iii. 101,207,269 Common shares of the Company, to be issued in equal installments each quarter for the 16 quarters following the closing; and
iv. 68,792,731 Common shares of the Company, to be issued as replacement share-based payment awards for equity-settled share-based payment awards held by employees of Blue Water. The value of the replacement awards is $22,578 USD. The consideration for the acquisition includes $10,754 USD transferred to employees of Blue Water when the acquiree's awards were substituted by replacement awards, which relates to past service. The balance of $11,824 USD will be recognized as post-acquisition compensation cost.

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

The purchase price allocation as at September 21, 2022 is presented below.

Consideration:		**USD**		**CAD**
Cash - paid on closing	$	29,371	$	39,348
Common shares		30,193		40,450
Deferred consideration		1,640		2,197
Replacement share-based payment awards		10,754		14,407
Consideration transferred for the acquired business	**$**	**71,958**	**$**	**96,402**

Recognizable amounts of identiable assets acquired and liabilities assumed:		**USD**		**CAD**
Cash	$	1,030	$	1,380
Accounts receivable		6,288		8,424
Prepaid assets		30		40
Capital assets		4		5
Intangible assets		34,500		46,220
Accounts payable and accrued liabilities		(5,611)		(7,517)
Deferred tax asset		143		191
Total identifiable net assets of acquired business	**$**	**36,384**	**$**	**48,743**
Goodwill		35,574		47,659
Total identifiable net assets of acquired business and goodwill	**$**	**71,958**	**$**	**96,402**

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 businesses.

Goodwill is expected to be deductible for tax purposes.

From the date of the acquisition to December 31, 2022, the Company recognized revenue of $2,814, gross profit of $2,507 and comprehensive income of $314. The Company is unable to reliably determine the revenue, gross profit and comprehensive income that would have been generated for the fiscal year had the Company acquired the business January 1, 2022.

Acquisition-related costs included in general and administration expense totalled $577.

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

6. Contract assets

The components of contract assets are as follows:

		2023		2022
Acquisition costs	$	71	$	100
Fulfillment costs		728		851
Contract assets, total	**$**	**799**	**$**	**951**
To be amortized within 1 year	$	493	$	297
Thereafter		306		654
Contract assets, total	**$**	**799**	**$**	**951**

Acquisition costs consist of commissions and royalty payments incurred upon initiation of a contract with a customer:

		2023		2022
Balance, beginning of year	$	100	$	123
Additions from new contracts with customers		46		97
Amortization of contract assets to direct operating expenses		(73)		(119)
Effect of movement in exchange rates		(2)		(1)
Balance, end of year	**$**	**71**	**$**	**100**
To be amortized within 1 year	$	13	$	27
Thereafter		58		73
Contract assets, acquisition costs	**$**	**71**	**$**	**100**

Fulfillment costs are comprised of image capture costs and sub-contractor fees:

		2023		2022
Balance, beginning of year	$	851	$	524
Additions from new contracts with customers		466		589
Amortization of contract assets to direct operating expenses		(573)		(310)
Effect of movement in exchange rates		(16)		48
Balance, end of year	**$**	**728**	**$**	**851**
To be amortized within 1 year	$	480	$	270
Thereafter		248		581
Contract assets, fulfillment costs	**$**	**728**	**$**	**851**

All of the contract asset components are related to operations in the United States.

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

7. Equipment

Cost	Note	Computer hardware	Equipment – Imagery	Furniture and equipment	Leasehold improvements	Vehicles	Total
Balance at December 31, 2021		$ 1,268	$ 462	$ 912	$ 668	$ 71	$ 3,381
Additions		65	31	88	-	-	184
Disposals		(62)	-	(161)	(326)	(23)	(572)
Acquisition of MTE	*5*	405	-	98	44	-	547
Acquisition of Blue Water	*5*	13	-	-	-	-	13
Balance at December 31, 2022		$ 1,689	$ 493	$ 937	$ 386	$ 48	$ 3,553
Additions		16	-	12	10	-	38
Disposals		-	-	-	-	(15)	(15)
Removal of fully depreciated asset		(408)	(385)	(518)	(131)	-	(1,442)
Balance at December 31, 2023		$ 1,297	$ 108	$ 431	$ 265	$ 33	$ 2,134
Depreciation							
Balance at December 31, 2021		$ 1,025	$ 404	$ 817	$ 561	$ 66	$ 2,873
Depreciation		98	47	18	30	1	194
Disposals		(59)	-	(150)	(328)	(21)	(558)
Acquisition of MTE	*5*	399	-	97	8	-	504
Acquisition of Blue Water	*5*	8	-	-	-	-	8
Balance at December 31, 2022		$ 1,471	$ 451	$ 782	$ 271	$ 46	$ 3,021
Depreciation		101	35	14	34	-	184
Disposals		-	-	-	-	(14)	(14)
Removal of fully depreciated asset		(430)	(385)	(504)	(131)	-	(1,450)
Balance at December 31, 2023		$ 1,142	$ 101	$ 292	$ 174	$ 32	$ 1,741
Carrying amounts							
At December 31, 2023		$ 155	$ 7	$ 139	$ 91	$ 1	$ 393
At December 31, 2022		$ 218	$ 42	$ 155	$ 114	$ 3	$ 532

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

8. Intangible assets

Cost		Computer Software		Customer Relationships		Tradenames		Licenses		IPR&D[1]		Total
At December 31, 2021	$	34,311	$	91,875	$	5,789	$	1,221	$	3,298	$	136,494
Acquisition of Blue Water		41,263		3,323		1,634		-		-		46,220
Acquisition of MTE		-		2,370		100		-		-		2,470
Effect of movement in exchange rates		1,642		6,297		367		81		220		8,607
Impairment		(537)		(59,335)		(1,631)		-		(3,518)		(65,021)
At December 31, 2022	$	76,679	$	44,530	$	6,259	$	1,302	$	-	$	128,771
Effect of movement in exchange rates		(929)		(248)		(48)		32		-		(1,193)
Impairment		-		(8,591)		-		-		-		(8,591)
Disposal of Voxtur Appraisal Services		(9,707)		(11,183)		(1,676)		(1,334)		-		(23,900)
At December 31, 2023	$	66,043	$	24,508	$	4,535	$	-	$	-	$	95,086

Amortization		Computer Software		Customer Relationships		Tradenames		Licenses		IPR&D[1]		Total
At December 31, 2021	$	6,310	$	7,193	$	1,037	$	-	$	-	$	14,540
Amortization		6,678		8,172		897		-		-		15,748
Effect of movement in exchange rates		326		990		100		-		-		1,415
At December 31, 2022	$	13,314	$	16,355	$	2,034	$	-	$	-	$	31,703
Amortization		10,601		2,638		924		-		-		14,163
Effect of movement in exchange rates		(95)		(99)		(8)		-		-		(202)
Disposal of Voxtur Appraisal Services		(5,314)		(3,133)		(1,028)		-		-		(9,475)
At December 31, 2023	$	18,506	$	15,761	$	1,922	$	-	$	-	$	36,189

Carrying amounts												
At December 31, 2023	$	47,537	$	8,747	$	2,613	$	-	$	-	$	58,897
At December 31, 2022	$	63,365	$	28,175	$	4,225	$	1,302	$	-	$	97,067

[1] In process research and development.

The intangible assets related to operations in the United States are $56,559 (as at December 31, 2022 - $94,243). The intangible assets related to operations in Canada are $2,338 (as at December 31, 2022 - $2,824).

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

9. Goodwill

For the purposes of impairment testing, goodwill has been allocated to the following CGUs:

		Appraisal Services	Apex	Voxtur Technologies	Settlement Services	Anow	Data Services	Capital Markets	Tax Consulting	Total
At December 31, 2021		$ 10,038	$ 876	$ 14,636	$ 27,310	$ 25,767	$ 15,593	$ -	$ -	$ 94,220
Acquisition of Bluewater	*5*	-	-	-	-	-	-	47,659	-	47,659
Acquisition of MTE	*5*	-	-	-	-	-	-	-	1,855	1,855
Effect of movement in exchange rates		670	57	976	1,821	-	1,040	527	-	5,090
Impairment	*5*	-	-	(15,612)	(29,131)	(17,133)	(11,431)	(42,988)	-	(116,295)
At December 31, 2022		$ 10,708	$ 933	$ -	$ -	$ 8,634	$ 5,202	$ 5,197	$ 1,855	$ 32,529
Effect of movement in exchange rates		259	(20)	-	-	-	(113)	(112)	-	14
Disposal of Voxtur Appraisal Services		(10,967)	-	-	-	-	-	-	-	(10,967)
At December 31, 2023		$ -	$ 913	$ -	$ -	$ 8,634	$ 5,089	$ 5,085	$ 1,855	$ 21,576

The Company performed its required annual goodwill impairment test related to each of its CGUs. The Company determined the recoverable amount of each CGU by calculating its value in use ("VIU") using discounted future cash flows.

Estimating future cash flows requires judgement, considering past and actual performance as well as expected development in the respective markets and the overall macro-economic environment.

Settlement Services

In 2022, the carrying amount of the Settlement Services CGU exceeded the recoverable value of the CGU and an impairment loss of $61,138 was recognized for the year ended December 31, 2022. The impairment loss was allocated $29,131 to goodwill and $31,470 to customer relationships, and $537 to computer software. The impairment loss resulted in a goodwill balance of $nil at December 31, 2022.

For the year ended December 31, 2022, the calculation of the VIU for the Settlement Services CGU was based on the following key assumptions:

- Average revenue growth rate of 1% over a 5-year period;
- Terminal value growth rate of 2% after the 5-year period;
- Discount rate of 15% based on management's best estimate of an after-tax weighted average cost of capital.

Voxtur Technologies

In 2022, the carrying amount of the Voxtur Technologies CGU exceeded the recoverable value of the CGU CGU and an impairment loss of $45,107 was recognized for the year ended December 31, 2022. The impairment loss was allocated $15,612 to goodwill and $27,864 to customer relationships, and $1,631 to tradenames. The impairment loss resulted in a goodwill balance of $nil at December 31, 2022.

For the year ended December 31, 2022, the calculation of the VIU for the Voxtur Technologies CGU was based on the following key assumptions:

- Average revenue growth rate of 1% over a 5-year period;
- Terminal value growth rate of 3% after the 5-year period
- Discount rate of 18.75% based on management's best estimate of an after-tax weighted average cost of capital.

Appraisal Services

As discussed in Note 4, the Appraisal Services CGU was disposed on November 1, 2023. No impairment loss was recognized for the year ended December 31, 2023 (year ended December 31, 2022 – $nil).

For the year ended December 31, 2022, the calculation of the VIU for the Appraisal Services CGU was based on the following key assumptions:

- Average revenue growth rate of 0% over a 5-year period;
- Terminal value growth rate of 2% after the 5-year period;
- Discount rate of 17.75% based on management's best estimate of an after-tax weighted average cost of capital.

Apex

The recoverable amount of the Apex CGU exceeded the carrying value of the CGU and therefore no impairment loss was recognized for the year ended December 31, 2023 (year ended December 31, 2022 - $nil).

The calculation of the VIU for the Apex CGU was based on the following key assumptions:

- Average revenue growth rate of 2.5% over a 5-year period (December 31, 2022 – 3%);
- Terminal value growth rate of 2% after the 5-year period (December 31, 2022 –2%); and
- Discount rate of 15.4% based on management's best estimate of an after-tax weighted average cost of capital (December 31, 2022 – 17.75%).

Anow

The recoverable amount of the Anow CGU exceeded the carrying value of the CGU and therefore no impairment loss was recognized for the year ended December 31, 2023 (December 31, 2022 – $17,133).

The calculation of the VIU for the Anow CGU was based on the following key assumptions:

- Average revenue growth rate of 7% over a 5-year period (December 31, 2022 –1%); and
- Terminal value growth rate of 3% after the 5-year period (December 31, 2022 –3%); and
- Discount rate of 18% based on management's best estimate of an after-tax weighted average cost (December 31, 2022 – 18.5%).

Data Services

The recoverable amount of the Voxtur Data CGU exceeded the carrying value of the CGU and therefore no impairment loss was recognized for the year ended December 31, 2023 (year ended December 31, 2022 – $11,431).

The calculation of the VIU for the Voxtur Data CGU was based on the following key assumptions:

- Average revenue growth rate of 10% over a 5-year period (December 31, 2022 –10%);
- Terminal value growth rate of 3% after the 5-year period (December 31, 2022 – 3%); and
- Discount rate of 17.3% based on management's best estimate of an after-tax weighted average cost of capital (December 31, 2022 – 17.75%).

Capital Markets

The recoverable amount of the Capital Markets CGU exceeded the carrying value of the CGU and therefore no impairment loss was recognized for the year ended December 31, 2023 (year ended December 31, 2022 - $42,988).

The calculation of the VIU for the Capital Markets CGU was based on the following key assumptions:

- Average revenue growth rate of 24% over a 5-year period (December 31, 2022 – 13%);
- Terminal value growth rate of 3% after the 5-year period (December 31, 2022 – 3%); and
- Discount rate of 17.5% based on management's best estimate of an after-tax weighted average cost of capital (December 31, 2022 – 17.75%).

Tax Consulting

The recoverable amount of the Tax Consulting CGU exceeded the carrying value of the CGU and therefore no impairment loss was recognized for the year ended December 31, 2023 (December 31, 2022 – $nil).

The calculation of the VIU for the Tax Consulting CGU was based on the following key assumptions:

- Average revenue growth rate of 2% over a 5-year period (December 31, 2022 – 2%);
- Terminal value growth rate of 2% after the 5-year period (December 31, 2022 – 2%); and
- Discount rate of 15.4% based on management's best estimate of an after-tax weighted average cost of capital (December 31, 2022 – 17.75%).

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

10. 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, 2021	$	1,261	$	7	$	1,268
Additions		1,598		22		1,620
Disposals		(539)		-		(539)
Depreciation		(654)		(11)		(665)
Effect of movement in exchange rates		34		-		34
Balance, December 31, 2022	$	1,700	$	18	$	1,718
Additions		303		32		335
Depreciation		(443)		(12)		(455)
Effect of movement in exchange rates		(28)		-		(28)
Balance, December 31, 2023	$	1,532	$	38	$	1,570

The Right-of-use assets related to operations in the United States are $1,487 (December 31, 2022 - $1,673). The Right-of-use assets related to operations in Canada are $83 (December 31, 2022 - $45).

11. Income Taxes

The components of income tax expense (benefit) for the years ended December 31, 2023 and 2022 were as follows:

	Year ended			
		December 31, 2023		December 31, 2022
Current tax expense				
Current year	$	55	$	62
Prior year		2		54
	$	57	$	116
Deferred tax expense (benefit)				
Origination and reversal of temporary differences	$	(15,848)	$	(40,759)
Change in unrecognized deductible temporary differences		15,082		20,300
Change in tax rate		(368)		1,019
Other		-		1,565
Deferred tax benefit	$	(1,134)	$	(17,875)
Income tax recovery on continuing operations	$	(1,077)	$	(17,759)

Tax expenses (recoveries) on continuing operations for the year ended December 31, 2023 excludes the tax expenses (recoveries) on the discontinued operations of $nil (year ended December 31, 2022 - $nil) and tax expenses (recoveries) on the gain on sale of discontinued operations for the year ended December 31, 2023 of $nil (year ended December 31, 2022 - $ nil). See Note 4 for net income from discontinued operations, net of $nil taxes.

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

The recovery of income tax differs from the amount that would be computed by applying the combined federal and provincial statutory income tax rate to the loss for the year before income tax for reasons as follows:

	Year ended			
		December 31, 2023		December 31, 2022
Statutory income tax rate		26.50%		26.50%
Loss for the year before income tax recovery on continuing operations	$	(68,451)	$	(234,711)
Computed income tax recovery	$	(18,140)	$	(62,198)
Increase (decrease) in income tax resulting from:				
Amounts not deductible for tax		576		10,612
Change in unrecognized deductible temporary differences		15,082		20,300
Change in tax rate		1,471		12,624
Other		(66)		903
Income tax recovery	$	(1,077)	$	(17,759)

As at December 31, 2023 and 2022, deferred tax assets have not been recognized in respect of the following deductible temporary differences:

		December 31, 2023		December 31, 2022
Property and equipment	$	1,640	$	1,535
Intangible assets		43,188		46,929
Tax losses		78,806		59,794
Other		1,596		908
Total unrecognized temporary differences	$	125,230	$	109,166

As at December 31, 2023 and 2022, deferred tax assets and deferred tax liabilities have been recognized in respect of the following items:

Deferred taxes - Canadian		December 31, 2023		December 31, 2022
Property and equipment	$	(7)	$	(14)
Intangible assets		(2,798)		(3,537)
Investment tax credits		-		(106)
Tax losses		1,929		1,651
Other		-		(4)
Deferred tax liability	$	(876)	$	(2,010)

As at December 31, 2023 and 2022, no deferred tax assets or deferred tax liabilities have been recognized with respect to foreign operations.

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

The movements in deferred tax assets (liabilities) for the years ended December 31, 2023 and 2022 were as follows:

	Year ended	
	December 31, 2023	December 31, 2022
Opening balance	$ (2,010)	$ (18,834)
Deferred tax liabilities on current year acquisitions		(655)
Foreign currency translations	-	(396)
Ending balance	$ (876)	$ (2,010)

In assessing the ability to realize the benefit of the deferred tax assets, management considers, on an entity by entity basis, whether it is probable that some portion or all of the deferred tax assets will be realized. The ultimate realization of deferred tax assets is dependent upon the generation of future taxable income. Management considers the likelihood of future profitability, the character of the deferred tax assets and available tax planning strategies in making this assessment. To the extent that management believes it is probable the deferred tax assets will be realized, that portion of the deferred tax assets is recognized in the Consolidated Financial Statements.

As at December 31, 2023, the Company had net operating loss carryforwards in Canada of approximately $47,084 that expire between 2027 and 2043 and had net operating loss carryforwards in the United States of approximately $43,627 that do not expire. Some of the net operating loss carryforwards in the United States may be limited pursuant to Section 382 of the Internal Revenue Code. Generally, tax loss utilization is limited if a corporation has a more than 50% change in ownership over a three-year period. The Company is undertaking a detailed analysis of any historical and/or current Section 382 ownership changes that may limit the utilization of the net operating loss carryovers.

As at December 31, 2023, the Company had unused Federal investment tax credits that can offset future Federal taxes payable of approximately $1,189 which the benefit of $821 has not been reported in the Consolidated Financial Statements. The Federal investment tax credits begin to expire in 2033.

12. Unearned revenue and remaining performance obligations

The following table presents changes in the unearned revenue balance:

Balance, December 31, 2021	$	6,786
Amounts invoiced and revenue unearned as at the end of the period		6,045
Recognition of unearned revenue that was included in the adjusted balance at the beginning of the period		(6,786)
Balance, December 31, 2022	$	6,045
Amounts invoiced and revenue unearned as at the end of the period		5,738
Recognition of unearned revenue that was included in the adjusted balance at the beginning of the period		(6,148)
Discontinued operations		(172)
Balance, December 31, 2023	$	5,463

Current	$	4,522
Non-current		941
Total unearned revenue	$	5,463

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 December 31, 2023, contracted unrecognized revenue was approximately $6,374 of which the Company expects to recognize an estimated 67% over the next 12 months and the remainder thereafter (December 31, 2022 - $10,585 and 38%, respectively).

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

13. 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.

		2023		2022
Lease obligations, beginning of year	$	1,732	$	1,287
Additions		336		1,620
Disposals		-		(566)
Interest on lease obligation		122		59
Lease payments		(481)		(688)
Effect of movement in exchange rates		(28)		20
Lease obligations, beginning of year	$	1,681	$	1,732
Current	$	406	$	288
Non-current		1,275		1,444
Total lease obligations	$	1,681	$	1,732

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

Less than one year	$	496
One to five years		1,433
More than five years		-
Total undiscounted lease obligations	$	1,929

The expense relating to variable lease payments not included in the measurement of lease obligations for the year ended December 31, 2023 was $nil (year ended December 31, 2022 - $34). This consists of variable lease payments for operating costs, property taxes and insurance.

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

14. Long-term debt

	December 31, 2023	December 31, 2022
(a) Term Loan B	$ 855	$ 1,344
(b) Term Loan C	530	20,349
(c) Term Loan D	34,014	38,984
	$ 35,399	**$ 60,677**
Due within 1 year	$ 35,399	$ 10,580
Due between 1 and 5 years	-	50,097
	$ 35,399	**$ 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 paid 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 $148 was recognized during the year ended December 31, 2023 (December 31, 2022 - $159). The maturity date of Term Loan B is October 1, 2025.

Balance, December 31, 2021	**$ 1,833**
Amortization of financing costs	11
Repayment	(500)
Balance, December 31, 2022	**$ 1,344**
Amortization of financing costs	11
Repayment	(500)
Balance, December 31, 2023	**$ 855**
Due within 1 year	$ 855
Due between 1 and 5 years	-
	$ 855

(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 paid interest only. Thereafter, the Company was to make principal and interest payments, with such principal payments being equal to $500 per month. Pricing is set at Bank of Montreal's Prime Rate plus 4.0% per annum. Effective interest of $2,523 was recognized during the year ended December 31, 2023 (December 31, 2022 - $2,002). The maturity date of this facility is September 2025, however, in November 2023, the Company fully repaid the then outstanding balance of Term Loan C, except for an exit fee.

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

Balance, December 31, 2021	$	24,118
Amortization of financing costs		231
Repayment		(4,000)
Balance, December 31, 2022	**$**	**20,349**
Amortization of financing costs		681
Repayment		(20,500)
Balance, Deecmber 31, 2023	**$**	**530**
Due within 1 year	$	530
Due between 1 and 5 years		-
	$	**530**

(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. Commencing in April 2023, the Bank of Montreal provided for deferral of principal payments. As at December 31, 2023, deferred principal payments with respect to Term Loan D totaled $3,975 ($3,000 USD). Under the terms of the loan, 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 $5,591 was recognized during the year ended December 31, 2023 (December 31, 2022 - $1,440). In November 2023, the Company repaid $3,817 ($2,811 USD) of the principal of Term Loan D.

		USD		**CAD**
Balance, December 31, 2021	$	-	$	-
Proceeds from credit facility		30,000		40,035
Financing costs		(1,345)		(1,795)
Amortization of financing costs		125		170
Effect of movement in exchange rates		-		574
Balance, December 31, 2022	**$**	**28,780**	**$**	**38,984**
Amortization of financing costs		448		605
Repayment		(3,561)		(4,874)
Effect of movement in exchange rates		-		(701)
Balance, Deecmber 31, 2023	**$**	**25,667**	**$**	**34,014**
Due within 1 year	$	25,667	$	34,014
Due between 1 and 5 years		-		-
	$	**25,667**	**$**	**34,014**

(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. Under this facility, the Company had drawn a total of $1,000 cash and has an outstanding letter of credit in place for $477 (USD$360), as at December 31, 2023 (December 31, 2022 - $464 in the form of a letter of credit, with no cash draws). Effective interest of $92 was recognized during the year ended December 31, 2023 (December 31, 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 December 31, 2023, the Company was not in compliance with 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 December 31, 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 $28,405 as a current liability. In April 2024, amendments to the Company's credit agreement (the "Amendment") were executed, which waives breaches of covenants that existed prior to the date of the Amendment and establishes revised covenants, as discussed in Note 28.

15. 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.

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 December 31, 2023, accrued but unpaid dividends with respect to the Preference Shares totaled $622 (as at December 31, 2022 - $107) and are included in accounts payable and accrued liabilities in the Consolidated Statements of Financial Position.

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

The following table presents changes in preferred shares:

	Number of shares		Amount
Balance, December 31, 2021	**-**	**$**	**-**
Shares issued	4,081,632		158
Balance, December 31, 2022	**4,081,632**	**$**	**158**
Shares issued	-		-
Balance, December 31, 2023	**4,081,632**	**$**	**158**

		Face Value		Liability Carring Amount
Balance, December 31, 2022	$	4,000	$	3,795
Accretion expense		-		54
Amortization of financing costs		-		19
Balance, December 31, 2023	**$**	**4,000**	**$**	**3,868**

16. Common share and warrant capital

			December 31, 2023			December 31, 2022		
	Expiry date	Exercise price	Issued		Amount	Issued		Amount
Issued and outstanding:								
Common shares			701,041,685	$	299,407	581,777,639	$	270,722
Share purchase warrants:								
Broker warrants 2021-12	December 21, 2023	-	-		-	651,655		320
Broker warrants 2022-05	May 13, 2024	1.02	367,800		149	367,800		149
Series R warrants	June 26, 2028	0.20	58,515,260		4,334	-		-
			58,883,060		4,483	1,019,455		469
Share capital and warrant capital			759,924,745	$	303,890	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.

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

Common share capital:

The following table presents changes in common shares:

		Number of shares		Amount
Balance, December 31, 2021		**517,091,697**	**$**	**236,846**
Shares issued		42,324,445		26,622
Shares issued, options exercised		135,865		58
Shares issued, warrants exercised		13,572,553		3,947
Shares issued, deferred share units converted		5,387,423		1,262
Shares issued, debentures exercised		499,001		169
Shares issued, debenture interest settled		8,655		7
Shares issued, restricted share units converted		2,758,000		1,811
Balance, December 31, 2022		**581,777,639**	**$**	**270,722**
Shares issued, acquisition	*(a)*	55,304,766		21,060
Shares issued, private placement	*(a)*	58,515,262		6,336
Shares issues, settlement of provision	*(a)*	2,500,000		680
Shares issued, debentures converted	*(b)*	290,724		100
Shares issued, debenture interest settled	*(b)*	43,884		11
Shares issued, restricted share units converted	*(c)*	100,000		59
Shares issued, performance share units converted	*(d)*	2,509,410		439
Balance, December 31, 2023		**701,041,685**	**$**	**299,407**

Warrant capital:

The following table presents changes in warrant capital:

		Number of warrants		Amount
Balance, December 31, 2021		**14,270,614**	**$**	**1,166**
Warrants issued		367,800		149
Warrants exercised		(13,572,553)		(845)
Warrants expired		(46,406)		(1)
Balance, December 31, 2022		**1,019,455**	**$**	**469**
Warrants issued	*(a)*	58,515,262		4,334
Warrants expired	*(e)*	(651,657)		(320)
Balance, December 31, 2023		**58,883,060**	**$**	**4,483**

Other components of shareholders' equity:

Other components of shareholders' equity include:

(i) Contributed surplus, which represents contributions by equity holders in excess of amounts allocated to share capital;

(ii) AOCI, which represents the accumulated impact of foreign exchange translation of foreign operations and changes in fair value of private equity investment; and

(iii) Other reserve, which represents the equity conversion option of convertible debentures.

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

The following table presents changes in Other reserve:

		Amount
Balance, December 31, 2021	**$**	**36**
Debentures exercised		(23)
Deferred consideration		40,634
Series 2 preferred shares issued		160
Balance, December 31, 2022	**$**	**40,807**
Debentures exercised		(13)
Deferred consideration		(11,917)
Balance, December 31, 2023	**$**	**28,877**

(a) ***Common Shares, Preferred shares and Warrants issued***

Acquisition of MTE:

As discussed in Note 5, the Company issued 1,313,130 common shares of the Company in July 2022 as part of the consideration transferred to acquire the MTE group.

Acquisition of Blue Water:

As discussed in Note 5, the Company issued 29,256,365 common shares of the Company in October 2022 as part of the consideration transferred to acquire the Blue Water group.

The Company issued 6,325,453 common shares of the Company in each of January, April, June and October 2023, for a total of 25,301,812, as part of the consideration transferred to acquire Blue Water in fiscal 2022.

In September 2023 and December 2023, the Company issued 12,713,779 and 9,975,063 common shares, respectively, as settlement of the second tranche of the Blue Water replacement shares discussed in Note 21.

Acquisition of Benutech:

In August 2023, the Company issued 7,314,112 common shares as part of the settlement of the contingent consideration related to the acquisition of Benutech in fiscal 2021.

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.

In August and September 2023, the Company completed the second, third and fourth tranches of the June 2023 Offering for gross proceeds of $8,650, or $7,661 net of finder’s fees and issuance costs.

The Company issued 43,251,765 units at a price of $0.20 per unit. Each unit is composed of one Common Share of the Company and one Series R Warrant.

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

Proceeds from the June 2023 Offering, collected in June, August and September, were allocated to common share capital and warrant capital using the relative fair value method.

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

	Series R Warrants - June 2023	Series R Warrants - August 2, 2023	Series R Warrants - August 4, 2023	Series R Warrants - September 8, 2023
Warrants issued	15,263,497	4,710,000	32,241,765	6,300,000
Exercise price	$0.20	$0.20	$0.20	$0.20
Risk free interest rate	3.70%	3.97%	3.97%	3.97%
Expected dividend yield	0%	0%	0%	0%
Expected share volatility	91.53%	90.76%	90.76%	90.76%
Expected life	5 years	4.92 years	4.92 years	4.83 years

Settlement of Provision:

In July 2023, the Company released 2,000,000 common shares held in escrow with respect to a business acquisition.

In November 2023, the Company issued 2,500,000 with respect to the settlement of a legal claim as discussed in Note 25.

(b) ***Convertible debentures converted***

In June and September 2023, the Company issued 290,724 common shares upon receipt of directions from convertible debenture holders to convert $100 of convertible debentures.

In June and September 2023, the Company issued 43,884 common shares upon settlement of interest obligations on convertible debentures of $11.

(c) ***Conversion of restricted share units***

In August 2023, the Company converted 100,000 restricted share units to 100,000 common shares of the Company upon direction from a restricted share unit holder.

(d) ***Conversion of performance share units***

In June and September 2023, the Company converted 2,509,410 performance share units to 2,509,410 common shares of the Company upon achievement of specific milestones by performance share unit holders.

(e) ***Warrants expired***

In December 2023, 651,657 Broker warrants expired, unexercised.

17. 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 year ended December 31, 2023, the Company incurred YCP Fees of $388 (year ended December 31, 2022 – $375) 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 December 31, 2023, outstanding amounts payable related to these agreements totaled $32 (December 31, 2022 - $nil) and is included in accounts payable and accrued liabilities.

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 year ended December 31, 2023, with respect to these agreements, the Company recorded revenue of $989 (year ended December 31, 2022 - $14,634). As at the time that the JEA Group ceased to be a related party, outstanding amounts receivable totaled $1,517 (December 31, 2022 - $12,154) and is included in the consolidated statements of financial position.

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 for the year ended December 31, 2023 of $694 (as at December 31,2022 - $1,321) and is included in the consolidated statement of loss and comprehensive loss. As at December 31, 2023, outstanding amounts payable related to these agreements totaled $45 (December 31, 2022 - $397).

One of the principals of the JEA Group, Mr. James Albertelli was the Chief Executive Officer and a Director of the Company. 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 year ended December 31, 2023 the Company recognized revenue of $834 (December 31, 2022 -$nil). As at December 31, 2023, outstanding amounts receivable totaled $20 (December 31, 2022 - $61) and is included in the consolidated statement of financial position. Subsequent to December 31, 2023, 100% of the outstanding balance was collected.

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 December 31, 2023 of $1,325 CAD ($1,000 USD) related to a past Director and Officer of the Company who stepped down from his roles with the Company. In December 2023, the Company recorded a credit loss provision of $1,325 ($1,000 USD) therefore the remaining related party notes receivable balance at December 31, 2023 was $nil.

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

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.

18. 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.

	Year ended December 31, 2023			Year ended December 31, 2022		
	United States	Canada	Total	United States	Canada	Total
Software and data licenses	$ 31,977	$ 1,241	$ 33,218	$ 21,267	$ 4,764	$ 26,031
Technology managed services	5,563	3,997	9,560	19,210	2,239	21,449
Settlement services	6,181	-	6,181	12,728	-	12,728
Total	$ 43,721	$ 5,238	$ 48,959	$ 53,205	$ 7,003	$ 60,208

Significant customers:

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

For the year ended December 31, 2023, the Company had no significant customers. For the year ended December 31, 2022, the Company had one significant customer which represented 26% 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.

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

19. Contingent and deferred consideration

The following table presents changes in the contingent consideration:

Balance, December 31, 2021	$	2,176
Change in contingent consideration		(274)
Balance, December 31, 2022	$	1,902
Change in contingent consideration		(695)
Settlement of contingent consideration		(1,207)
Balance, December 31, 2023	$	-

The following table presents changes in the deferred consideration:

		USD		CAD
Balance, December 31, 2021	**$**	-		-
Acquisition of Blue water		1,640		2,197
Effect of movement in exchange rates		-		24
Balance, December 31, 2022	**$**	1,640	$	2,221
Payment of deferred consideration		(977)		(1,315)
Disbursement from escrow		136		186
Effect of movement in exchange rates		-		(34)
Balance, December 31, 2023	**$**	**799**	**$**	**1,058**

Of the $1,058 of total deferred consideration, $280 (December 31, 2022 - $388) is recorded in accounts payable and accrued liabilities with the remainder recorded as deferred consideration.

20. Impairment

			Year ended		
			December 31, 2023		December 31, 2022
Convertible promissory note		$	-	$	1,458
Trade receivable, due from related party			-		2,656
Intangible assets	*8*		8,591		65,021
Goodwill			-		116,295
Impairment loss		**$**	**8,591**	**$**	**185,430**

21. Key management personnel expenses and share-based compensation

Key management personnel include the directors and officers of the Company.

In addition to their salaries and any bonuses, the Company also provides non-cash benefits to key management personnel. Key management personnel are also entitled to participate in the Company's Long Term Incentive Plan, which includes Stock Options, Restricted Share Units, Deferred Share Units and Performance Share Units.

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

Changes in share-based compensation are primarily related to the timing of the grant and vesting of stock options and the timing of the grant and conversion to common shares of restricted share units.

Key management personnel compensation is included in General and administration, Technology and operations and Selling and business development expenses and is comprised of the following:

		2023		2022
Short-term employee benefits	$	5,013	$	5,983
Share-based compensation		908		5,437
	$	**5,921**	**$**	**11,420**

Personnel expenses

Personnel expenses from continuing operations consist of and are presented in the consolidated statement of loss and comprehensive loss as follows:

		2023		2022
Wages, salaries and benefits	$	36,088	$	51,339
Share-based compensation		11,617		9,734
	$	**47,705**	**$**	**61,073**
Direct operating expenses	$	3,973	$	17,647
Technology and operations		13,977		10,420
Selling and business development		4,479		7,133
General and administration		25,277		25,873
	$	**47,706**	**$**	**61,073**

Wages, salaries and benefits also include termination payments, if any. Share-based compensation comprises amounts related to stock options granted to employees, officers and directors, amounts related to deferred share units granted to directors and amounts related to restricted share units granted to employees, officers and directors and contractors. Share-based compensation related to stock options and restricted share units granted to contractors has not been included.

Compensation included in direct operating expenses, technology and operations, selling and business development and general and administration is presented in the table above.

Share-based compensation

		2023		2022
Share-based compensation - stock options	$	105	$	1,960
Share-based compensation - deferred share units		562		-
Share-based compensation - restricted share units		388		4,474
Share-based compensation - performance share units		896		-
Share-based compensation - Blue Water replacement shares		9,666		3,300
	$	**11,617**	**$**	**9,734**

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

Stock Options

The Company has established a Stock Option Plan ("Option Plan") whereby the Company may grant options to purchase common shares of the Company to its directors, officers, employees and consultants. The number of authorized common shares that may be issued upon the exercise of options granted under the Option Plan, at any time, plus the number of common shares reserved for issuance under outstanding incentive stock options otherwise granted by the Company, may not exceed 10% of the Company's then issued and outstanding common shares on a non-diluted basis. Such aggregate number of common shares shall automatically increase or decrease as the number of issued and outstanding common shares changes. The Board of Directors has authority to determine which eligible persons will be issued options, the number of options to be granted to each, the time when options shall be granted, when such options will vest, when such options will expire, and at what price the options may be exercised.

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, 2021	24,767,766	$ 0.56	3.6
Granted	2,863,422	$ 0.48	
Exercised	(135,865)	$ 0.29	
Expired	(100,000)	$ 1.00	
Outstanding December 31, 2022	27,395,323	$ 0.55	2.9
Granted	15,000,000	0.11	
Expired	(3,850,000)	0.23	
Forfeited	(4,507,377)	0.54	
Outstanding December 31, 2023	34,037,946	$ 0.39	3.3

The fair value of options granted during the period was determined at the date of grant using the Black-Scholes option pricing model with the following assumptions:

	2023	2022
Exercise price	$0.11	$0.48
Common share value at grant date	$0.11	$0.48
Risk free interest rate	3.50%	3.32%
Expected dividend yield	0%	0%
Expected share volatility	90%	65%
Expected life	5 years	5 years

Volatilities are calculated based on actual historical trading statistics of the Company's common shares over the previous twelve months for the period commensurate with the expected option term.

For the year ended December 31, 2023, the Company recorded share-based compensation expense of $105 (December 31, 2022 – $1,961) related to stock options granted to employees and consultants, which is included in general and administration, selling and business development and technology expenses.

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

December 31, 2023								
Range of Exerice Prices	Options Granted and Outstanding at December 31, 2023	Vested	Unvested		Weighted Average Exercise Price of Outstanding Options	Weighted Average Remaining Contractual Life in Years		Weighted Average Exercise Price of Vested Options
$0.11 to 0.20	15,200,000	200,000	15,000,000	$	0.111	4.9	$	0.183
$0.21 to 0.30	275,000	275,000	-		0.245	1.7		0.245
$0.31 to 0.40	300,000	300,000	-		0.360	1.8		0.360
$0.41 to 0.50	1,848,163	1,823,163	25,000		0.464	1.8		0.464
$0.51 to 0.60	13,684,783	13,527,379	157,404		0.590	2.1		0.590
$0.61 to 0.80	1,250,000	1,250,000	-		0.800	2.7		0.800
$0.81 to 1.00	480,000	360,000	120,000		0.980	2.3		0.980
$1.01 to 1.15	1,000,000	1,000,000	-		1.150	2.2		1.150
	34,037,946	18,735,542	15,302,404	$	0.394	3.3	$	0.616

December 31, 2022								
Range of Exerice Prices	Options Granted and Outstanding at December 31, 2022	Vested	Unvested		Weighted Average Exercise Price of Outstanding Options	Weighted Average Remaining Contractual Life in Years		Weighted Average Exercise Price of Vested Options
$0.13 to 0.20	3,050,000	3,050,000	-	$	0.199	0.5	$	0.199
$0.21 to 0.30	1,275,000	250,000	1,025,000		0.288	0.8		0.248
$0.31 to 0.40	1,000,000	864,000	136,000		0.360	2.8		0.360
$0.41 to 0.50	3,863,422	2,513,425	1,349,997		0.472	0.5		0.468
$0.51 to 0.60	14,856,901	9,729,369	5,127,532		0.590	3.1		0.590
$0.61 to 0.80	1,750,000	1,750,000	-		0.800	3.7		0.800
$0.81 to 1.00	600,000	300,000	300,000		0.980	3.3		0.980
$1.01 to 1.15	1,000,000	1,000,000	-		1.150	3.2		1.150
	27,395,323	19,456,794	7,938,529	$	0.550	2.4	$	0.552

Deferred Share Units:

The Company has a Deferred Share Unit Plan (“DSU Plan”) for non-management Directors. Under the DSU Plan, Directors who are entitled to receive compensation under the Company’s Director Compensation Program, which currently excludes Directors who are also employees of the Company, are granted DSUs in lieu of some or all of their Director compensation entitlement. DSUs vest immediately upon being granted. The number of DSUs to be granted is calculated by dividing the amount that the Director would have received as compensation in cash by the average market price of the Company’s common shares over the period in which they were earned. Upon the Director ceasing to be a Director, the value of his or her Deferred Share Unit Account (“DSU Account”) will be determined on the date specified in the DSU Plan by multiplying the number of DSUs in the Director’s DSU Account by the market price of the common shares as at such date, and will be settled prior to December 31st of the year following the date that the Director ceases to be a director of the Company. The actual settlement of a DSU Account will be made by way of cash or shares, or a combination of both, as determined under the Company’s then-current Director Compensation Program. It is currently the Company’s option and intent to settle any DSU redemptions with common shares.

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

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

	Number of Units
Outstanding December 31, 2021	5,657,104
Exercised	(5,387,423)
Outstanding December 31, 2022	269,681
Granted	-
Exercised	-
Expired	-
Forfeited	-
Outstanding December 31, 2023	269,681

All of the outstanding DSUs noted above have vested.

For year ended December 31, 2023, the Company recorded share-based compensation expense of $562 (December 31, 2022 – $nil) related to DSUs to be granted to directors. These DSUs were granted in February 2024, as discussed in Note 28.

Restricted Share Units:

The Company has a Restricted Share Unit Plan (the “RSU Plan”) for its employees, officers, directors and consultants. The RSU Plan allows employees, directors, officers and consultants to participate in the growth and development of the Company. All Restricted Share Units (“RSUs”) granted are settled with common shares of the Company. The expense and corresponding increase in contributed surplus in shareholders’ equity are determined based on the grant date fair value of the award, which is based on the market price of the Company’s common shares and recognized using the graded method over the period that the employees unconditionally become entitled to the awards. Upon the conversion of RSUs to common shares, the amount attributable to the RSUs that was previously recognized in contributed surplus, is recorded as an increase to share capital.

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

	Number of Units
Outstanding December 31, 2021	11,713,042
Granted	2,412,565
Converted to common shares	(2,758,000)
Outstanding December 31, 2022	11,367,607
Converted to common shares	(100,000)
Forfeited	(764,855)
Outstanding December 31, 2023	10,502,752

At December 31, 2023, the restricted period of 10,227,752 RSUs had expired. For year ended December 31, 2023, the Company recorded share-based compensation expense of $388 (December 31, 2022 – $4,474) 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. Share-based compensation to be recognized until September 2025 is expected to be $49.

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

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	(2,509,410)
Outstanding December 31, 2023	3,764,116

At December 31, 2023, 2,509,410 of the outstanding PSUs had vested and converted to Common Shares. For the year ended December 31, 2023, the Company recorded share-based compensation expense of $896 (December 31, 2022 – $nil) related to PSUs granted, which is included in selling and business development expense. Share-based compensation to be recognized until March 2025 is expected to be $202. Subsequent to December 31, 2023, 1,568,382 PSUs were converted to common shares as discussed in Note 28.

Blue Water replacement shares

As part of the acquisition of Blue Water in fiscal 2022, 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 as at the acquisition date. The remaining 39,275,296 Replacement Awards will be recognized 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 year ended December 31, 2023, the Company recorded share-based compensation expense of $9,568 related to Replacement Awards, which is included in general and administration expenses (December 31, 2022 - $3,300). The Share-based compensation to be recognized until September 2024 is expected to be $2,805.

22. Finance costs, net

			2023		**2022**
Finance income		$	13	$	114
Finance costs:					
Amortization of debt issuance costs	*14*		(1,289)		(327)
Long-term debt - interest costs	*14*		(7,154)		(3,042)
Lease obligations - interest costs	*13*		(145)		(53)
Convertible debenture - accretion of equity discount			-		(97)
Convertible debenture - accrued interest			-		(14)
Net finance costs		**$**	**(8,575)**	**$**	**(3,419)**

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

23. Loss per share

For the years ended December 31, 2023 and 2022, diluted loss per share does not take into account any outstanding warrants, options, deferred share units, restricted share units, performance share units or convertible debentures as their effect would be anti-dilutive for the period. As at December 31, 2023, there were a total of:

- 58,883,060 warrants outstanding (December 31, 2022 – 1,019,455);
- 34,037,946 options outstanding (December 31, 2022 – 27,395,323);
- 269,681 deferred share units outstanding (December 31, 2022 – 269,681);
- 3,764,116 performance share units outstanding (December 31, 2022 – nil);
- 10,502,752 restricted share units outstanding (December 31, 2022 – 11,367,607);
- $nil debentures outstanding convertible to nil common shares (December 31, 2022 – $88 convertible to 290,725 common shares)

24. Supplementary cash flow information

	December 31, 2023	December 31, 2022
Changes in non-cash operating assets and liabilities:		
Trade and other receivables, net	$ 17	$ 13,402
Trade receivables, due from related parties, net	1,770	(5,997)
Contract assets	152	(304)
Prepaid expenses and other assets	(244)	95
Accounts payable and accrued liabilities	(3,521)	(6,519)
Unearned revenue	(382)	(741)
Provision	(1,084)	1,576
	$ (3,292)	**$ 1,512**

25. Commitments and contingencies

In July and November 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. 2,000,000 of these Common shares were released from escrow with respect to an earnout provision. A provision of $nil was recorded as at December 31, 2023 (December 31, 2022 - $1,576) related to this claim.

As at December 31, 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.

26. 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.

This note presents information about the Company's exposure to each of the above risks, the Company's objectives, policies and processes for measuring and managing risk, and the Company's management of capital. Further quantitative disclosures are included throughout these Consolidated Financial Statements.

Financial risk management framework

The Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The Audit Committee is responsible for assisting in developing and monitoring the Company's financial risk management policies. The Audit Committee reports regularly to the Board of Directors.

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

The Company's financial risk management policies are established to identify and analyze the financial risks faced by the Company, to set appropriate risk limits and controls, and to monitor risks and adherence to limits and controls. Financial risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities.

The Company's Audit Committee oversees how management monitors compliance with the Company's financial risk management policies and procedures and reviews the adequacy of the financial risk management framework in relation to the financial risks faced by the Company.

Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations and arises principally from the Company's cash and receivables from customers.

Cash

The credit risk related to cash is minimized by ensuring cash is held only in highly rated financial institutions.

Trade and other receivables, net

The Company's exposure to credit risk is influenced by the individual characteristics of each customer. Given the current composition of customers, the Company assesses the credit worthiness of each significant customer on a customer-by-customer basis. Management also considers the demographics of the Company's customer base, including the default risk of the industry in which the customers operate, as these factors also have an influence on credit risk. A large portion of the Company's accounts receivable are with public sector government or government related agencies, or with partners for whom the end customer is a public sector government or government related agency, where credit risk has historically been assessed as low.

The Company measures a loss allowance based on the lifetime expected credit losses. Lifetime expected credit losses are estimated based on factors such as the Company's past experience of collecting payments, the number of delayed payments in the portfolio past the average credit period, observable changes in national or local economic conditions that correlate with default on receivables, financial difficulty of the borrower, and it is becoming probable that the borrower will enter bankruptcy or financial re-organization. Financial assets are written off when there is no reasonable expectation of recovery.

Exposure to credit risk

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date was as follows:

As at		**December 31, 2023**		**December 31, 2022**
Cash	$	5,626	$	5,908
Trade and other receivables, net		7,234		9,220
Trade receivables, due from related parties, net		20		12,220
Notes receivable, due from related parties, net		-		2,709
	$	12,880	$	30,057

At December 31, 2023, no customers accounted for more than 10% of trade accounts receivable, net.

At December 31, 2022, one customer, a related party, accounted for more than 10% of trade accounts receivable, net. This customer accounted for approximately 67% of trade accounts receivable at that time, of which 82% was collected subsequent to December 31, 2022.

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

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

As at	**December 31, 2023**		**December 31, 2022**	
	Gross Amount	**Amount, net**	**Gross Amount**	**Amount, net**
Current	$ 5,956	$ 5,012	$ 4,940	$ 4,940
Past due 1-90 days	2,966	1,941	4,259	4,096
Past due over 90 days	992	281	866	184
	$ 9,914	$ 7,234	$ 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. The Company has recorded a cumulative provision for expected credit losses of $2,680 with respect to trade and other receivables as at December 31, 2023 (December 31, 2022 - $845).

The following table presents the reconciliation of the expected credit loss provision:

Balance, December 31, 2021	$ 534
Bad debt expense	1,190
Recoveries	(12)
Amounts written off	(868)
Effect of movement in exchange rates	1
Balance, December 31, 2022	$ 845
Bad debt expense	2,315
Recoveries	(36)
Amounts written off	(278)
Effect of movement in exchange rates	(71)
Disposal of Voxtur Appraisal Services	(95)
Balance, December 31, 2023	$ 2,680

Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. On an ongoing basis, the Company monitors and manages its actual and projected cash flows, with the primary objectives of maintaining liquidity and financial flexibility.

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

The following are the remaining undiscounted contractual cash flows, including estimated interest payments of financial liabilities, at the end of the reporting dates:

		Contractual cash outflows				
As at December 31, 2023	**Carrying Amounts**	**Total**	**within 1 year**	**1 - 2 years**	**2 - 5 years**	**More than 5 years**
Accounts payable and accrued liabilities	$ 7,194	$ 7,194	$ 7,194	$ -	$ -	$ -
Line of credit	1,000	1,000	1,000	-	-	-
Long-term debt and interest	35,399	43,665	9,411	34,254	-	-
Lease obligations	1,681	1,928	496	384	1,048	-
Purchase commitments	-	4,102	418	420	1,230	2,034
Deferred consideration	778	778	778	-	-	-
	$ 46,052	$ 58,667	$ 19,297	$ 35,058	$ 2,278	$ 2,034

		Contractual cash outflows				
As at December 31, 2022	**Carrying Amounts**	**Total**	**within 1 year**	**1 - 2 years**	**2 - 5 years**	**More than 5 years**
Accounts payable and accrued liabilities	$ 13,766	$ 13,766	$ 13,766	$ -	$ -	$ -
Long-term debt	60,677	78,779	17,559	18,210	43,010	-
Lease obligations	1,732	2,034	402	402	962	268
Purchase commitments	-	4,059	339	336	1,007	2,377
Provision, cash component	-	721	721	-	-	-
Deferred consideration	1,833	1,833	1,833	-	-	-
	$ 78,008	$ 101,192	$ 34,620	$ 18,948	$ 44,979	$ 2,645

The Company also has obligations related to convertible debentures and related interest, as disclosed in Note 14 herein, which have been excluded from the above table as the Company has the option to settle the convertible debenture and related interest by the issuance of the Company's common shares.

Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return.

Currency risk

The international operations of the Company expose it to foreign currency exchange risk in the ordinary course of business. The Company is exposed to this risk primarily through its United States dollar denominated cash, trade and other receivables, note receivable, investment, accounts payable and accrued liabilities. Most of the Company's businesses are organized geographically so that expenses are incurred in the same currency as revenues thus mitigating some of its exposure to currency fluctuations. Foreign currency risk arises on financial instruments that are denominated in a currency other than the functional currency in which they are measured. The nature, extent and timing of foreign currency denominated cash flows are regularly monitored to identify changes in exposure and assess the need for active management. The Company does not hedge its foreign currency exchange risk at this time.

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

The Company's exposure to foreign currency risk was as follows based on notional amounts:

As at		December 31, 2023		December 31, 2022
Cash	$	287	$	194
Notes receivable		-		2,709
Investment		3,642		3,723
Deferred consideration		(778)		1,833
Accounts payable and accrued liabilities		(1,218)		(1,482)
	$	1,933	$	6,977

Sensitivity analysis

A 5% strengthening of the USD against the CAD at December 31, 2023, would have increased equity and decreased the comprehensive loss for the year by approximately $97 (2022 - $349). A 5% weakening of the USD against the CAD at December 31, 2022 would have had the equal but opposite effect, on the basis that all other variables remain constant.

Equity price risk

The Company holds an equity investment in a private US based software company. The Company is exposed to changes in the equity price of this investment and liquidity risk. A 5% strengthening in the fair value of this equity investment at December 31, 2023, would have increased AOCI and increased other comprehensive income for the year by approximately $182 (December 31, 2022 - $186). A 5% weakening of the fair value of this equity investment at December 31, 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 $827 (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.

Capital management

The Company defines capital as cash, current and non-current indebtedness, and certain components of equity.

As at	Note		December 31, 2023		December 31, 2022
Long-term debt	*14*	$	35,399	$	60,677
Convertible debentures			4		102
			35,403		60,779
Less: Cash			5,626		5,908
Net debt (cash)		$	29,777	$	54,871
Equity			44,819		74,797
Total		$	74,596	$	129,668

The Company's objectives in managing capital are to:
- Ensure financial capacity to meet current obligations is maintained and continue as a going concern;
- Ensure financial capacity to execute strategic plans is maintained; and
- Prevent capital erosion.

In order to manage capital, the Company regularly identifies and assesses risks that threaten the ability to meet the Company's capital management objectives and determines the appropriate strategy to mitigate these risks. In order to maintain or adjust the capital structure, the Company may incur or repay debt, issue new shares, purchase shares for cancellation, or a combination thereof.

The Company monitors its capital structure by measuring its key covenants which include, as at December 31, 2022, (i) a Minimum Trailing Adjusted EBITDA covenant, and (ii) a Minimum Liquidity Cushion. These key financial covenants contained in existing debt agreements are reviewed by management on a monthly basis to monitor compliance. As at December 31, 2023, the Company was not in compliance with its financial covenants.

Other than the covenants required for long-term debt as discussed in Note 14, the Company is not subject to any externally imposed capital requirements as at December 31, 2023.

27. 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 December 31, 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 December 31, 2023, the balance of escrow accounts was $3,499 (December 31, 2022 - $4,373).

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).

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

<u>Private equity investment:</u>

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 investment as at December 31, 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 Consolidated Statements 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 year ended December 31, 2023:

		USD		CAD
Balance at December 31, 2021	$	2,918		3,706
Changes in fair value through OCI		(170)		(230)
Foreign exchange and other movements		-		248
Balance at December 31, 2022	$	2,748	$	3,723
Foreign exchange and other movements		-		(81)
Balance at December 31, 2023	$	2,748	$	3,642

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

28. Subsequent events

Share-related transactions

In January and April 2024, 12,650,906 common shares were issued as part of the consideration transferred to acquire Blue Water in fiscal 2022.

In February 2024, 6,005,050 common shares were issued as part of the consideration transferred to acquire MTE in fiscal 2022. Of this issuance, 5,500,000 shares were issued in lieu of a $500,000 cash payment.

In February 2024, 2,065,428 deferred share units were issued as compensation to various Directors.

In March 2024, 1,568,382 performance share units were converted to 1,568,382 common shares upon achievement of specific milestones by performance share unit holders.

Credit facility amendment

In April 2024, amendments to the Company's credit agreement (the "Amendment") were executed, which waives breaches of covenants that existed prior to the date of the Amendment and establishes revised covenants.