MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

As used in this management's discussion and analysis, unless the context indicates or requires otherwise, all references to the "Company", the "Corporation", "Givex", "we", "us" or "our" refer to Givex Corp. together with our subsidiaries, on a consolidated basis.

*This management's discussion and analysis of financial condition and results of operations ("**MD&A**") dated **March 21, 2023** for the three months ended December 31, 2022 and 2021 and the years ended December 31, 2022 ("**Fiscal 2022**") and 2021 ("**Fiscal 2021**") of Givex should be read in conjunction with the Company's annual audited consolidated financial statements and notes related thereto for the years ended December 31, 2022 and 2021 as posted on SEDAR. The financial information presented in this MD&A is derived from the Company's annual audited consolidated financial statements for Fiscal 2022 and Fiscal 2021, which has been prepared in accordance with International Financial Reporting Standards ("**IFRS**") as issued by the International Accounting Standards Board ("**IASB**").*

We have prepared this MD&A with reference to National Instrument 51-102 "Continuous Disclosure Obligations" of the Canadian Securities Administrators.

*On November 25, 2021, Givex completed a reverse takeover transaction (the "**Transaction**") with Givex Corporation, a corporation incorporated under the International Business Companies Act (Bahamas) (the "**IBCA**") pursuant to a business combination agreement between Givex, Givex Corporation and County Subco Corp., dated November 12, 2021 (the "**BCA**") under the laws of the IBCA, which resulted in Givex becoming the parent company of Givex Corporation. Givex Corporation is deemed to be the accounting acquirer in the reverse takeover transaction. As a result, the consolidated statements of financial position are presented as a continuance of Givex Corporation and the comparative figures are presented as those of Givex Corporation.*

On November 10, 2022 the Company announced that it had filed for continuance to the Province of Ontario and concurrently changed its name to Givex Corp.(formerly Givex Information Technology Group Ltd) under the provisions of the Business Corporations Act (Ontario) following approval of the continuance and name change by shareholders at the annual general and special meeting of the shareholders of the Company held on May 26, 2022. The continuance and name change better reflects the Company's history and allows the Company to be governed by the laws of the jurisdiction in which its head office is located.

Additional information relating to Givex, including our most recently completed Annual Information Form for the fiscal year ended December 31, 2022, is available on our website at investors.givex.com and can be found on SEDAR at www.sedar.com.

Cautionary Statement on Forward-Looking Information

*This MD&A contains "forward-looking information" and "forward-looking statements" (collectively, "**forward-looking information**") within the meaning of applicable securities laws. All statements contained herein that are not clearly historical in nature are forward-looking, and the words "anticipate", "believe", "expect", "estimate", "may", "will", "could", "leading", "intend", "contemplate", "shall" and similar expressions are generally intended to identify forward-looking statements. Additionally, any statements that refer to expectations, intentions, projections or other characterizations of future events or circumstances contain forward-looking information. Forward-looking information, among other things, may relate to our financial outlook and anticipated events or results and may include information regarding our financial position, business strategy, growth strategies, operations, financial results, taxes, plans and objectives. Particularly information regarding our expectations of future results, performance, achievements, prospects or opportunities or the marks in which we operate and the impact thereon of the ongoing COVID-19 pandemic as well as statements regarding industry trends and expectations regarding our revenue.*

This forward-looking information and other forward-looking information are based on our opinions, estimates and assumptions considering our experience and perception of historical trends, current conditions and expected future developments, as well as other factors that we currently believe are appropriate and reasonable in the circumstances as at the date of the forward-looking information. Despite a careful process to prepare and review the forward-looking information, there can be no assurance that the underlying opinions, estimates and assumptions will prove correct.

Forward-looking information is necessarily based on a number of opinions, estimates and assumptions that we considered appropriate and reasonable as of the date such statements are made, are subject to known and unknown risks, uncertainties, assumptions and other factors that may cause the actual results, level of activity, performance or achievements to be materially different from those expressed or implied by such forward-looking information, including but not limited to the risk factors described under the "Summary of Factors Affecting Our Performance" section of this MD&A, the "Risk Factors" section of our most recently filed annual information form and the "Risk Factors" section in the Filing Statement all of which are available on SEDAR at www.sedar.com.

The forward-looking statements made in this MD&A relate only to events or information as of the date of this MD&A and are expressly qualified in their entirety by this cautionary statement. Except as required by law, we do not assume any obligation to update or revise any of these forward-looking statements to reflect events or circumstances after the date of this MD&A, including the occurrence of unanticipated events. An investor should read this MD&A with the understanding that our actual future results may be materially different from what we expect. All capitalized terms used but not otherwise defined herein shall have the meanings ascribed thereto in the Filing Statement.

Overview

Givex operates as a full-suite omni-channel Gift Card, Loyalty Program, data analytics, Stored Value Ticketing, payments processing solutions and cloud-based POS solutions provider. Givex's principal business operations are conducted from Toronto, Ontario with services provided globally.

Givex's aim is to continuously develop and deploy tools that will help its merchant clients uncover the insights needed to strengthen their relationships with consumers and increase commercial activity for its merchant clients. Givex aims to effect this by listening to its merchants, empowering its teams, and partnering with its suppliers at all times.

Givex is a technology and software solutions provider. Givex currently develops, sells, installs and supports five key types of tech solutions for its merchant clients:

- Customer Engagement Solutions;
- Enterprise POS;
- Payment Processing Solutions;
- Integrations Solutions; and
- Analytics.

Givex's merchant clients can use one or all of these services, as all five solutions products are designed and built to work together on the Givex Platform. Givex's merchant client base consists historically of retail, hospitality and restaurant businesses, stadium, grocery, fuel and unattended retail businesses. Givex's aim is to continually improve its platform for its merchant clients by developing technology solutions which strengthen relationships between merchant clients and their customers.

Other than the regular incorporation and business registration, at this time the Company is not aware of other licenses, regulatory approvals, permits or authorizations from relevant governmental authorities that are required to carry out the Company's business. The Company and its subsidiaries are each in good standing in their respective jurisdiction of incorporation.

Givex's core growth strategy focuses on:

- *Continued Investment in Cloud Platform*

Over the last 23 years, Givex has continually invested in its core cloud-based technology and will continue to do so.

- *Sell All Product Offerings to Clients*

Givex started as a closed-loop Gift Card processor, and as such most Givex merchant clients today primary use Gift Cards, and have subsequently added Loyalty Programs, Stored Value Ticketing, and then GivexPOS to their product subscriptions. More recently, Givex has sold GivexPOS to merchant clients that have added Gift Cards then Loyalty Programs. Givex aims to make sure all of its product offerings include the opportunity to use at least one additional Givex product offering in order to create cross-selling opportunities. While it is not the expectation that Givex's merchant clients use all of Givex product offerings, Givex has a diverse base of merchant clients today to which sales pitches can be made over time. Givex leverages these established relationships when opportunities with such merchant clients arise, such as RFPs.

- *Merchant Client Development and Retention*

Givex has an effective sales management tool that allows it to track and follow up with prospective merchant clients as well as existing merchant clients. As such, Givex can continually monitor its performance. Givex has a very low turnover rate of established merchant clients. Many of Givex's existing merchant clients have been with Givex for over 15 years and some longer than 20 years.

- *Growth by Acquisition of POS and Merchant Client Engagement Platform Businesses*

A key component of Givex's growth strategy is growth by acquisitions. Givex targets businesses that are established and profitable or marginally profitable and are in need of marketing and/or technical support to better serve their existing base of merchant clients. Givex will continue to search for targets in all of its geographical markets

In the years 2018, 2019 and 2021 Givex completed strategic acquisitions of the following entities: ValuAccess Limited ("**ValueAccess**"), Owen Business Systems Ltd. ("**OBS**"), Easy Information Solutions S.A. de C.V ("**EIS**"), PI Cash Système SARL ("**Pi Cash**"), and also acquired certain assets from Moneris Solutions Corporation which currently make up the Givex product, "**Giftpass**" (formerly "giftcertificates.ca), which consists of gift-card inventory and the ability to purchase gift cards on-line.

Givex acquired GiftCertificates.ca with a view to building a Gift Card marketplace for not only Givex's merchant clients but also non-Givex merchants. The impact of the COVID-19 pandemic limited Givex's growth of the giftcertificates.ca business in 2021 and much of 2022; however, it is expected that this service, now branded as giftpass.com, will expand on an ongoing basis into all Givex senior markets in 2023.

This service has also been integrated with the "GivexAwards" program. GivexAwards has been designed as an easy-to-use incentive rewards program for small and medium sized merchant clients (under 500 employees) that want to provide an incentive program for employees. It is accessible by employees via a mobile app, which provides accumulative rewards to employees which can convert into cash (or used on giftpass.com) for use exclusively at the merchant client's business. GivexAwards is intended to expand the market for Givex's Gift Card merchant clients.

The acquisition of ValuAccess allowed Givex to expand into Asia Pacific markets, provide further support for its growing list of multinational clients and provide merchants with more effective localized support. The acquisition of OBS provided Givex with an upsell opportunity to OBS's Canadian client base. Givex was also able to integrate OBS's retail POS system, "eStream POS XDB" into its retail POS system to enhance functionality for Givex's customers in fashion, grocery, and other retail verticals. Acquiring EIS allowed Givex to expand into Mexico and gain access to EIS's existing customer base and team. Givex is working with EIS Management to expand the cost-effective Mexico based Givex Client services team.

See "Recent Developments" below for information regarding the 2022 acquisitions.

Targeted businesses will typically be founder owned and managed and have been in business for at least five years, either selling and installing technical solutions similar to Givex or having developed their own technology that involves POS, inventory management, labour management, Gift Card and/or Loyalty Program services.

Givex also expects to keep the team members and founders of acquired businesses engaged with Givex going forward by having a component of any purchase price satisfied either through the issuance of shares of Givex or a longer-term note, or a combination of both. Givex has successfully completed a number of acquisitions in the past seven years, and attributes the success of such deals to making sure founder teams remained engaged.

- *Strengthen Marketing and Sales with Aim to Improve Direct Sales in Givex Markets and to Increase Merchant Locations*

Givex has attended several trade shows and invested in some advertising. Givex aims to hire more direct sales team members in 2023 and will also be looking to make more prestige acquisitions in all Givex markets, which should also assist Givex with building sales resources for more direct-to-market sales activity.

Givex works with and will continue to work with referral partners as well as resellers as part of its ongoing sales strategy, but this will not be Givex's primary focus as it believes its own dedicated sales teams will be more effective than resellers in representing Givex's products and services. Givex will look to resellers in markets where it is not likely to have its own offices or team members, for example Malaysia or Indonesia.

- *Invest in Team and Support Tools*

Many Givex team members have been involved with the business for more than ten years, with some for over fifteen years. The institutional knowledge of this team is one of the reasons Givex has a strong reputation for client service and retention.

Recruitment and retention of team members has become increasingly difficult as competition for qualified and capable technical team members is becoming more intense in Toronto, where Givex's technical teams are located.

Givex will also look to its foreign markets to see where it can hire local teams to support its global services. Givex will continue to make use of the Canadian immigration fast track to recruit talent outside of Canada.

Givex uses a custom developed and effective management tool to connect all team members with the tasks needed to look after merchant clients. This tool, called the "ToolJar", allows Givex personnel to support merchant clients globally. For example, using ToolJar, a Givex support person in Mexico can provide real time support to a merchant client in the USA or Canada. Developers in Hong Kong or Mexico can support development efforts of Givex's core team in Toronto

Recent Developments

On January 25, 2022, the Corporation acquired all of the issued and outstanding shares of 1157487 Ontario Inc. (operating as Kalex Equipment Services) ("Kalex") a company incorporated under the laws of Ontario. The total purchase price was $2.5 million paid as cash consideration, promissory note payable and issuance of common shares. Kalex carries on the business of reselling new and legacy information technology point-of-sale equipment to the Canadian retail sector and providing on-line and other support services on the POS retail equipment stores.

On February 17, 2022, the Corporation acquired all the issued and outstanding shares of Loyalty Lane, Inc. ("Loyalty Lane"), a company incorporated under the laws of Georgia. Loyalty Lane, Inc. carries on the business of providing loyalty and rewards transaction processing for independent grocers. The total purchase price was $7.7 million paid as cash consideration and issuance of common shares. William Gray was the President of Loyalty Lane, Inc, where he was also a minority shareholder. He is the brother of Don Gray, the Corporation's CEO. The Loyalty Lane, Inc. acquisition was approved by the Corporation's Board of Directors, with Don Gray abstaining from the vote. As part of the acquisition, the Corporation has retained William Gray by employment agreement to continue to act in the capacity of President of Loyalty Lane, Inc.

On August 15, 2022, the Corporation acquired all of the issued and outstanding shares of Counter Solutions Holdings Limited ("Counter Solutions"), a company incorporated under the laws of the United Kingdom. Counter Solutions creates connected digital experiences for the retail & hospitality sectors, helping brands implement self-service technology solutions to improve their customer experience & drive productivity gains. The total purchase price was $5.9 million paid as a combination of cash and contingent consideration payable. As part of this transaction, the Corporation has issued 2 million common shares to retain a key employee. The estimated fair value of the shares is $1.2 million, which vests in 3 equal tranches as agreed targets are met. The shares are retractable based on Counter Solutions meeting agreed targets and on the continued employment of the key employee until fully vested.

As disclosed in prior financial statements, Givex Canada Corp. is subject to an ongoing tax audit by the Canada Revenue Agency pertaining to transfer fees between Givex Corporation and Givex Canada Corp. If the tax authority is successful with their challenges, the Corporation's income tax expense may be adversely affected. On June 17, 2022, Givex Canada Corp received notices of reassessment from the Canada Revenue Agency for $0.6 million plus interest as the result of this audit. The Corporation has paid the assessment however intends to dispute the assessment and has worked with legal counsel to file Notices of Objections. The payment has been recorded in prepaid expenses.

Reverse Takeover Transaction & Subscription Receipt Financing

On November 25, 2021, the Company completed the Transaction by way of a business combination pursuant to which, among other things: (a) Givex Corporation merged with County Subco Corp., an entity incorporated for the purposes of the Transaction, pursuant to the provisions of the IBCA, following which Givex Corporation survived as the successor corporation; (b) all of the issued and outstanding shares of Givex Corporation were exchanged for common shares in the capital of the Company on a one-for-one basis (the "**Exchange Ratio**"); and (c) all convertible securities of Givex Corporation were exchanged for convertible securities of the Company on economically equivalent terms on the basis of the Exchange Ratio. Upon completion of the Transaction, the Company de-listed its common shares from the TSX Venture Exchange and concurrently listed its common shares on the TSX under the ticker symbol "GIVX". Further details of the Transaction are described in the filing statement of the Company which can be found on the Company's issuer profile on SEDAR at www.sedar.com.

On November 12, 2021, in connection with the Transaction, Givex Corporation completed the Concurrent Offering and issued 22,000,000 Subscription Receipts for aggregate proceeds of $22,000,000, less a specified amount in agents' fees and expenses. Immediately prior to closing of the Transaction, and upon the satisfaction of certain escrow conditions prescribed by the Subscription Receipt Indenture, each Subscription Receipt was automatically exchanged, for no additional consideration, into one Givex Corporation Class A ordinary share and one half of one Givex Corporation Class A ordinary share purchase warrant. Upon completion of the Transaction, all securities in Givex Corporation, including Class A ordinary shares and Class A ordinary share purchase warrants issued in exchange for Subscription Receipts, were exchanged for common shares and common share purchase warrants in Givex on the basis of the Exchange Ratio on the basis of one Givex Share for each Givex Corporation Share.

For additional information regarding the Transaction or the Subscription Receipt Financing please see the Filing Statement, which is available on SEDAR at www.sedar.com.

COVID-19

There continues to be uncertainty regarding the duration and magnitude of the COVID-19 pandemic and the ability to control resurgences worldwide, making it difficult to assess the future impact on our customer base, the end markets we serve and the resulting effect on our business and operations, both in the short term and in the long term.

Despite the ongoing risks and uncertainties, however, we continue to believe the impact of the COVID-19 pandemic on the retail and restaurant industries has accelerated the need for our solutions as our target market look to augment traditional in-person selling models with online and digital strategies. A large portion of our customer market is currently served by legacy on-premise systems that are expensive, complicated, and poorly equipped to help this market adapt to this immediate need. The Company believes this represents a significant opportunity for us to grow our customer base for all our products as the retail and restaurant worlds shift to more cloud-based solutions.

Since the onset of the COVID-19 pandemic, we implemented temporary measures to help our customers navigate the uncertainty they were facing including price and payment flexibilities. We also prioritized the health and safety of our employees by quickly deploying all staff to a "work from home model", something the Company was well-suited to do given the cloud-based tools it uses to run its business. The Company also implemented a COVID-19 pandemic cost cutting plan to help scale back operating costs where possible.

The results of these measures include revenue growth from $51.5 million in Fiscal 2020 to $55.2 million in Fiscal 2021 and to $73 million in Fiscal 2022. This was achieved despite the COVID-19 impact on the global retail and restaurant industries, further demonstrating, we believe, the demand for our solutions.

We continue to monitor the impact of COVID-19 on our business, financial condition, and operations. Please refer to the section in the Annual Information Form entitled "General Development of the Business – The COVID-19 Pandemic".

Key Performance Indicators

We monitor the following key performance indicators to help us evaluate our business, measure our performance, identify trends affecting our business, formulate business plans and make strategic decisions. These key performance indicators are also used to provide investors with supplemental measures of our operating performance and thus highlight trends in our core business that may not otherwise be apparent when relying solely on IFRS measures. We also believe that securities analysts, investors, and other interested parties frequently use industry metrics in the evaluation of issuers. Our key performance indicators may be calculated in a manner different than similar key performance indicators used by other companies.

Customer Locations. "**Customer Location**" means a billing customer location for which the term of services has not ended, or with which we are negotiating a renewal contract. It includes both merchant locations that have transactions processed through our cloud-based SaaS platform, as well as merchant locations not on our platform but for which we provide other Givex services. A single unique customer can have multiple Customer Locations including physical and eCommerce sites.

We believe that our ability to increase the number of Customer Locations served by our platform and products is an indicator of our success in terms of market penetration and growth of our business. During the COVID-19 pandemic, certain customers that process transactions through our platform may have decided to or been forced to close for a certain time period. If these customers did not perform at least one transaction during this period, we would not include them in the customer location count despite the fact they may still be customers.

As at December 31, 2022 and December 31, 2021, we had global customer locations of approximately 122,000 and 100,000 respectively, representing growth of 22%. This includes the 15,000 customer locations added through the Kalex acquisition, the 2,000 grocery locations added through the Loyalty Lane acquisition, and the 1,000 locations added through the Customer Solutions acquisition.

Gross Transaction Volume. "**Gross Transaction Volume**" or "**GTV**" means the total dollar value of stored and POS transactions processed through our cloud-based SaaS platforms in the period, net of refunds, inclusive of shipping and handling, duty and value-added taxes. We believe GTV is an indicator of the success of our customers and the strength of our platforms. GTV does not represent revenue earned by us.

For the three months ending December 31, 2022 and 2021, total GTV processed was approximately $3.33 billion and $2.86 billion respectively, representing growth of 17%. For the fiscal year ending December 31, 2022 and 2021, total GTV processed was approximately $7.72 billion and $6.47 billion respectively, representing growth of 19%. During the COVID-19 pandemic, certain customers may have decided to or been forced to close for a certain time period, eliminating any transactions for these customers despite the fact they may still be customers.

Employee Compensation as a % of Gross Profit. "Employee Compensation as a % of Gross Profit" means the total employee compensation for a period divided by the gross profit for the same period. "Employee Compensation" means total employee compensation including salaries and benefits, excluding both government assistance and share-based compensation. "Gross Profit" means revenue less direct cost of revenue.

For Fiscals 2022, 2021 and 2020, "Employee Compensation as a % of Gross Profit" was 53%, 55% and 56% respectively. The company believes that its ability to reduce "Employee Compensation as a % of Gross Profit" is an indicator of its success in managing costs and profitability.

Non-IFRS Measures and Reconciliation of Non-IFRS Measures

The information presented within this MD&A includes certain financial measures such as "Adjusted EBITDA", which are not recognized measures under IFRS and do not have a standardized meaning prescribed by IFRS and are therefore unlikely to be comparable to similar measures presented by other companies. Rather, these measures are provided as additional information to complement those IFRS measures by providing further understanding of our results of operations from management's perspective. Accordingly, these measures should not be considered in isolation nor as a substitute for analysis of our financial information reported under IFRS. These non-IFRS measures are used to provide investors with supplemental measures of our operating performance and thus highlight trends in our core business that may not otherwise be apparent when relying solely on IFRS measures. We also believe that securities analysts, investors and other interested parties frequently use non-IFRS measures in the evaluation of issuers. Our management also uses non-IFRS measures in order to facilitate operating performance comparisons from period to period, to prepare annual operating budgets and forecasts and to determine components of management compensation.

Adjusted EBITDA

Adjusted EBITDA is defined as net profit (loss) excluding interest, taxes, depreciation and amortization, or EBITDA, as adjusted for share-based compensation and related expenses, foreign exchange gains and losses, and transaction-related expenses including those related to going public through the reverse takeover transaction as further defined above.

The following table reconciles net income (loss) loss to Adjusted EBITDA for the periods indicated:

	Three months ended December 31		Fiscal year ended December 31	
	2022	2021	2022	2021
(in thousands of C$)	$	$	$	$
Net income (loss) and comprehensive income (loss)	(202)	(5,080)	**(10,095)**	**(4,038)**
Depreciation of property and equipment	363	241	1,079	1,063
Depreciation of right-of-use assets	590	570	2,396	2,181
Amortization of intangible assets	30	188	1,731	1,175
Net finance cost	223	161	717	557
Income tax provision	(247)	348	29	869
EBITDA	**757**	**(3,572)**	**(4,143)**	**1,807**
Share-based compensation expense	2,154	3,594	10,498	3,594
Listing expense	-	2,419	-	2,419
Acquisition related transaction costs	371	-	696	-
Foreign exchange loss (gain)	(316)	(17)	(474)	453
ADJUSTED EBITDA	**2,966**	**2,424**	**6,577**	**8,273**

Summary of Factors Affecting Our Performance

We believe that the growth and future success of our business depends on many factors, including those described below. While each of these factors presents significant opportunities for our business, they also pose challenges, some of which are discussed below and are more fully described in the "Risk Factors" section of our most recent Annual Information Form, which can be found on the Company's issuer profile on SEDAR at www.sedar.com.

Market adoption of our platform

We intend to continue to drive adoption of our commerce-enabling platform by scaling our solutions to meet the needs of both new and existing customers of all types and sizes. We believe that there is significant potential to increase penetration of our total addressable market and attract new customers. We plan to do this by further developing our products and services as well as continuing to invest in marketing strategies tailored to attract new businesses to our platform, both in our existing geographies and new markets around the world. We also intend to selectively evaluate opportunities to offer our solutions to businesses operating in industry verticals that we do not currently serve. We plan to continue to invest in our platform to expand our customer base and drive market adoption and our operations may fluctuate as we make these investments.

Cross-selling and up-selling with existing customers

Our existing customers represent a significant opportunity to cross-sell and up-sell products and services with limited incremental sales and marketing expense. We use a "land and expand" approach, with many of our merchant-clients initially deploying our platform for a specific use case. Once they realize the benefits and wide functionality of our platform, they can expand the number of product offerings they subscribe to. We plan to continually invest in product development, and in sales and marketing, to add more solutions to our platform and to increase the usage and awareness of our solutions. Our future revenue growth and our ability to achieve and maintain profitability is dependent upon our ability to maintain existing customer relationships and to continue to expand our customers' use of our comprehensive suite of our solutions.

Scaling our sales and marketing team

Our ability to achieve significant growth in future revenue will largely depend upon the effectiveness of our sales and marketing efforts, both domestically and internationally. The majority of our sales and marketing efforts are accomplished in-house, and we believe the strength of our sales and marketing team is critical to our success. We have invested and intend to continue to invest meaningfully in terms of expanding our sales force, and consequently, we anticipate that our headcount will continue to increase as a result of these investments.

International sales

We believe that global demand for our platform will continue to increase as SMBs seek out end-to-end solutions with omni-channel capabilities to enable their businesses to thrive and succeed in an increasingly complex operating environment. Accordingly, we believe there is significant opportunity to grow our international business. We have invested, and plan to continue to invest, ahead of this potential demand in personnel and marketing, and to make selective acquisitions outside of North America to support our international growth.

Key Components of Results of Operations

Revenue

Service and payments revenue

The Company's main sources of revenue are recurring service fees from its technology solutions. "Service and payment revenues", which consist of subscription and transactional revenue from our customer engagement, POS, payments, integrations, and analytics solutions, are recognized as services provided. Our solutions include maintenance and support.

Hardware and other revenue

These are generally one-time revenues associated with the sale of hardware with which our solutions integrate and development services in support of the integration of our solutions to our customers.

Direct cost of revenue

Direct cost of services and payments revenue

Costs of these revenues primarily includes direct costs related to our payments, card production and fulfillment solutions.

Direct cost of hardware and other revenue

Cost of these revenues primarily includes costs associated with our hardware solutions, such as the cost of acquiring the hardware inventory as well as expenses related to the one-time implementation services provided to customers.

Operating Expenses

General and administrative

General and administrative expenses consist of all Givex employee and contractor expenses, recurring professional fees, costs associated with our internal networks and datacenters, insurance, and general corporate expenses. These costs are reduced by any government assistance like that from the Canadian Government's COVID-19 wage subsidy program in respect of remuneration for eligible employees.

Sales and marketing

Sales and marketing expenses consist primarily of costs relating to advertising and marketing, attendance at trade shows, and travel costs.

Share-based compensation

Upon Closing of the Transaction in Q4 2021, Givex adopted both a stock option plan and a restricted share unit plan. The purpose of these plans is to assist the Corporation in attracting and retaining key employees, officers, directors, and consultants who will contribute to the Corporation's long-term success by providing them incentives that align their interests with those of the shareholders of the Company. The Plans are administered by the board of directors of the Company (the "**Board**"). See more details about the Transaction above.

Listing Expense

On November 25, 2021, the Company completed its Transaction resulting in the reverse takeover of Givex Corporation that resulted in its listing on the TSX as described above. The one- time costs of this Transaction are classified under this category. See more details about the Transaction above

Results of Operations

The following table outlines our consolidated statements of income (loss) for the three months and fiscal year ended December 31, 2022 and 2021:

	Three months ended December 31		Fiscal year ended December 31	
(in thousands of C$)	**2022**	**2021**	**2022**	**2021**
	$	**$**	**$**	**$**
Revenue				
Service and payments revenue	$ 19,038	14,124	$ 67,553	52,071
Hardware and other revenue	2,283	1,102	5,352	3,135
Total	21,321	15,226	72,905	55,206
Direct Cost of Revenue				
Service and payments revenue	5,720	3,987	19,979	15,446
Hardware and other revenue	1,136	711	2,996	1,632
Total	6,856	4,698	22,975	17,078
Gross profit	14,465	10,528	49,930	38,128
Expenses				
General and administrative	11,000	7,799	40,624	28,856
Sales and marketing	870	305	3,425	999
Depreciation of property and equipment	363	241	1,079	1,063
Depreciation of right-of-use assets	590	570	2,396	2,181
Amortization of intangible assets	30	188	1,731	1,175
Share-based compensation	2,154	3,594	10,498	3,594
Listing Expense	-	2,419	-	2,419
Foreign exchange loss (gain)	(316)	(17)	(474)	453
Total Expenses	14,691	15,099	59,279	40,740
Income (loss) before undernoted items and income taxes	(226)	(4,571)	(9,349)	(2,612)
Other income	-	-	-	-
Net finance costs	223	161	717	557
Income (loss) before income taxes	(449)	(4,732)	(10,066)	(3,169)
Income tax expense (recovery)				
Current	(1,284)	1,361	689	1,197
Deferred	1,037	(1,013)	(660)	(328)
Total - Income tax expense (recovery)	(247)	348	29	869
Income (loss) and comprehensive income (loss)	$ (202)	(5,080)	$ (10,095)	(4,038)
Earnings (loss) per share				
Basic and diluted	$ (0.00)	(0.06)	$ (0.09)	(0.04)

Results of Operations for the Three Months and Fiscal Year ended December 31, 2022, and 2021

Revenues

(in thousands of C$, except percentages)	3 months ended December 31, 2022 $	3 months ended December 31, 2021 $	Change $	Change %	Fiscal year ended December 31, 2022 $	Fiscal year ended December 31, 2021 $	Change $	Change %
Revenue								
Service and payments revenue	19,038	14,124	4,914	34.8%	67,553	52,071	15,482	29.7%
Hardware and other revenue	2,283	1,102	1,181	107.2%	5,352	3,135	2,217	70.7%
Total Revenues	21,321	15,226	6,095	40.0%	72,905	55,206	17,699	32.1%

Service and payments revenue

For the 3 months ending December 31, 2022, service and payments revenue increased $4.9 million or 35% over the 3 months ending December 31, 2021.

This was due to a combination of both organic growth and growth through the 2022 acquisitions.

The Kalex acquisition in January 2022 contributed $0.9 million to the increase. The Loyalty Lane acquisition in February 2022 contributed $1.4 million towards the increase. The Counter Solutions acquisition in August 2022 contributed $0.7 million towards the increase.

There was also strong organic growth primarily in the US, Canada, and Brazil. Revenue increased in the US by $1.2 million, Canadian revenue increased $0.5 million, and Brazil increased approximately $0.3 million.

For Fiscal 2022, service and payments revenue increased $15.5 million or 30% over Fiscal 2021.

This was also due to a combination of organic growth and growth through acquisitions.

The Kalex acquisition in January 2022 contributed $3.1 million to the increase. The Loyalty Lane acquisition in February 2022 contributed $5.6 million towards the increase. The Counter Solutions acquisition in August 2022 contributed $0.9 million towards the increase.

There was also strong organic growth primarily in the US, Canada, and Brazil. Revenue increased in the US by $3.8 million or 23%, Canadian revenue increased $2.1 million or 9%, and Brazil increased approximately $0.9 million or 50%.

This revenue growth is consistent with the growth in both our customer base and GTV processed through our system as noted in “Key Performance Indicators” above.

For Fiscal 2022, Customer Locations grew 22,000 from 100,000 locations at December 31 2021 to 122,000 locations at December 31, 2022, while GTV processed through our system grew approximately $1.25 billion from $6.47 billion in 2021 to $7.72 billion in 2022

Hardware and other revenue

For the 3 months ending December 31, 2022, hardware and other revenue increased $1.2 million compared to the 3 months ending December 31, 2021.

This was due to a combination of both organic growth and growth through the 2022 acquisitions. The Kalex acquisition in January 2022 contributed $0.7 million towards the increase, with the remainder of growth organic, primarily in Canada and the US.

For the Fiscal 2022, hardware and other revenue increased $2.2 million over Fiscal 2021.

This was due to a combination of both organic growth and growth through the 2022 acquisitions. The Kalex acquisition in January 2022 contributed $1.3 million towards the increase, with the remainder of growth organic, primarily in Canada and the US.

Direct Cost of Revenue / Gross profit

(in thousands of C$, except percentages)	3 months ended December 31, 2022	2021	Change	Change	Fiscal year ended December 31, 2022	2021	Change	Change
	$	$	$	%	$	$	$	%
Direct cost of revenues								
Service and payments revenue	5,720	3,987	1,733	43.5%	19,979	15,446	4,533	29.3%
Hardware and other revenue	1,136	711	425	59.8%	2,996	1,632	1,364	83.6%
Total Direct cost of revenues	6,856	4,698	2,158	45.9%	22,975	17,078	5,897	34.5%

(in thousands of C$, except percentages)	3 months ended December 31, 2022	2021	Change	Change	Fiscal year ended December 31, 2022	2021	Change	Change
	$	$	$	%	$	$	$	%
Gross profit								
Service and payments revenue	13,318	10,137	3,181	31.4%	47,574	36,625	10,949	29.9%
Hardware and other revenue	1,147	391	756	193.4%	2,356	1,503	853	56.8%
Total Gross profit	14,465	10,528	3,937	37.4%	49,930	38,128	11,802	31.0%
Gross profit as a % of Total Revenue								
Service and payments revenue	70.0%	71.8%	-1.8%		70.4%	70.3%	0.1%	
Hardware and other revenue	50.2%	35.5%	14.8%		44.0%	47.9%	-3.9%	
Total Gross Profit as a % of Total Revenues	**67.8%**	**69.1%**	**-1.3%**		**68.5%**	**69.1%**	**-0.6%**	

For the 3 months ending December 31, 2022, direct cost of service and payments revenue increased $1.7 million over the 3 months ending December 31, 2021. For the 3 months ending December 31, 2022, direct cost of hardware and other revenue increased $0.4 million over the 3 months ending December 31, 2021.

For Fiscal 2022, direct cost of service and payments revenue increased $4.5 million over Fiscal 2021. For Fiscal 2022, direct cost of hardware and other revenue increased $1.4 million over Fiscal 2021.

All the above increases are due to the increase in revenue in both “Service and payments revenue” and “Hardware and other revenue” between both the 3 month and fiscal year periods. Gross Profit discussed more below.

For the 3 months ending December 31, 2022, total $ gross profit increased $4.0 million over the 3 months ending December 31, 2021. For Fiscal 2022, total $ gross profit increased $11.8 million over Fiscal 2021. These increases are due to the revenue increases as further described above.

Both “Service and payments revenue” and “Hardware and other revenue” include sales of different products and services that have both high and low profit margins. In addition, profit margins for companies Givex acquires may have different product margins than Givex. So, depending on the product mix and the intermittent timing of when new clients and acquisitions come on board, during a given 3 month or fiscal year period, there can be a variation in the gross profit % between periods that may not be reflective of the long-term company focus of improving margins and on increasing revenues for both high and low margin products and services

For the 3 months ending December 31, 2022, total gross profit % decreased 1.3% over the 3 months ending December 31, 2021. This decrease is partially due to a slightly different product mix in “Service and Payments” revenue, which decreased 1.8% where there was a slightly higher proportion of lower margin services sold compared to the prior year’s 3-month period. This was slightly offset by an increase in “Hardware and other revenue” gross profit, partially due to higher development fees earned, which are a higher margin service, in the current quarter compared to the prior year quarter.

For Fiscal 2022, total gross profit % slightly decreased 0.6% over Fiscal 2021. “Service and payments revenue” gross profit margin was relatively flat between the fiscal periods. The “Hardware and other revenue” gross profit margin decreased 3.9%, partially due to the Kalex acquisition, where their margin on hardware sales were slightly lower than the Givex margin.

This section does not include salaries and benefits of personnel associated with delivery of service.

Operating Expenses

General and administrative

(in thousands of C$, except percentages)	3 months ended December 31, 2022	2021	Change	Change	Fiscal year ended December 31, 2022	2021	Change	Change
	$	$	$	%	$	$	$	%
General and administrative	11,000	7,799	3,201	41.0%	40,624	28,856	11,768	40.8%

For the 3 months ending December 31, 2022, general and administrative expenses increased $3.2 million over the 3 months ending December 31, 2021. This increase is due to a combination of things.

Payroll increased $1.5 million, primarily due to an increase in headcount. Headcount increased by 122 employees from 254 at December 31, 2021 to 376 at December 31, 2022, and includes new staff added as part of the Kalex, Loyalty Lane, and Counter Solutions acquisitions.

This increase is also partially due to $0.7 million non-payroll overhead costs added from the acquisitions of Kalex, Loyalty Lane, and Counter Solutions in 2022, $0.4 million of acquisition costs related to these acquisitions, as well as additional professional, listing, and IR fees, all as further noted below.

For Fiscal 2022, general and administrative expenses increased $11.8 million over Fiscal 2021. This increase is due to a combination of things.

Payroll increased $5.5 million, which is a combination of pay raises and an increase in headcount, where headcount increased by 122 employees as noted above.

General and administrative expenses for Fiscal 2021 was reduced by $1.0 million for an employee wage subsidy received from the Government of Canada under its Canadian Emergency Wage Subsidy (“CEWS”) program ($0 in 2022).

This increase is also partially due to $2.9 million non-payroll overhead costs added from the acquisitions of Kalex, Loyalty Lane, and Counter Solutions in 2022, and acquisition costs related to these acquisitions of $0.7 million.

The increase also includes additional costs associated with being both a larger and now public company for a full year vs a partial year in 2021, including $0.5 million in additional professional and listing fees, $0.5 million in investor relations, and $0.3 million in additional insurance. As per the Transaction as further described above, Givex became a public company in Q4 2021.

Sales and marketing

(in thousands of C$, except percentages)	3 months ended December 31, 2022	2021	Change	Change	Fiscal year ended December 31, 2022	2021	Change	Change
	$	$	$	%	$	$	$	%
Sales and marketing	870	305	565	185.2%	3,425	999	2,426	242.8%

For the 3 months ending December 31, 2022, sales and marketing expense increased $0.6 million over the 3 months ending December 31, 2021. This increase includes $0.2 million sales and marketing costs for Loyalty Lane, which was acquired in Q1 2022. The remainder of the increase relates to a near return to normal in travel/sales related costs (business travel, trade show attendance, related advertising/marketing) for the 3 months ended December 31 2022 from the Covid 19 pandemic, as further detailed below.

For Fiscal 2022, sales and marketing expense increased $2.4 million over Fiscal 2021. The increase includes $0.8 million sales and marketing costs for Loyalty Lane, which was acquired in Q1 2022. The remainder of the increase relates to a near return to normal in travel/sales related costs in 2022 from the Covid 19 pandemic. This includes increases of $0.6 million in business travel, $0.6 million in trade show attendance, and $0.4 million in advertising/marketing costs.

Depreciation

(in thousands of C$, except percentages)	3 months ended December 31, 2022	2021	Change	Change	Fiscal year ended December 31, 2022	2021	Change	Change
	$	$	$	%	$	$	$	%
Depreciation of property and equipment	363	241	122	50.6%	1,079	1,063	16	1.5%
Depreciation of right-of-use assets	590	570	20	3.5%	2,396	2,181	215	9.9%
	953	811	142	17.5%	3,475	3,244	231	7.1%

For the 3 months ending December 31, 2022, depreciation of property and equipment increased $0.1 million over the 3 months ending December 31, 2021. For Fiscal 2022, depreciation of property and equipment decreased $0.01 million over Fiscal 2021. These changes are primarily due to timing differences related to when net additions are acquired during this period compared to the prior period.

For the 3 months ending December 31, 2022, depreciation of right-of-use assets increased $0.02 million over the 3 months ending December 31, 2021. For Fiscal 2022, depreciation of right-of-use assets increased $0.2 million over Fiscal 2021, half of which relates to the acquisition of Kalex in Q1 2022.

Amortization

(in thousands of C$, except percentages)	3 months ended December 31, 2022	2021	Change	Change	Fiscal year ended December 31, 2022	2021	Change	Change
	$	$	$	%	$	$	$	%
Amortization of intangible assets	30	188	(158)	-84.0%	1,731	1,175	556	47.3%

For the 3 months ending December 31, 2022, amortization of intangible assets decreased $0.2 million over the 3 months ending December 31, 2021. For Fiscal 2022, amortization of intangible assets increased $0.6 million over Fiscal 2021. These changes are primarily due to amortization of intangibles related to the acquisitions of Loyalty Lane and Kalex in Q1 2022, and Counter Solutions in Q3 2022.

Share-based compensation expense

(in thousands of C$, except percentages)	3 months ended December 31, 2022	2021	Change	Change	Fiscal year ended December 31, 2022	2021	Change	Change
	$	$	$	%	$	$	$	%
Share-based compensation expense	2,154	3,594	(1,440)	-40.1%	10,498	3,594	6,904	192.1%

Share-based compensation expense is due to the adoption by Givex of both a stock option plan and a restricted share unit plan as part of the Transaction (as more fully described above). The purpose of these plans is to assist Givex in attracting and retaining key employees, officers, directors, and consultants who will contribute to the Corporation's long-term success by providing them incentives that align their interests with those of the shareholders of the Company. The Plans are administered by the Board. See “Critical Accounting Policies and Estimates” below for more information on how share-based compensation expense is accounted for.

For the 3 months ending December 31, 2022, share-based compensation expense decreased $1.4 million over the 3 months ending December 31, 2021. This decrease is primarily due to the timing of the vesting of RSU’s, where now that a majority of the RSU’s have vested as at December 31, 2022, the cost in the 3 months ending December 31, 2022 is lower than the 3 months ending December 31, 2021.

For Fiscal 2022, share-based compensation expense increased $6.9 million over Fiscal 2021. As noted more fully above, the Transaction closed in Q4 2021, so Fiscal 2021 only included a partial year of expense compared to a full year in Fiscal 2022.

As of December 31, 2022, the total remaining unamortized stock-based compensation expense amounted to $3.1 million (2021 - $12.7 million) which will be amortized over the weighted average requisite service period. See the notes to the 2022 audited financial statements as posted on SEDAR for more details.

Listing Expense

(in thousands of C$, except percentages)	3 months ended December 31, 2022	2021	Change	Change	Fiscal year ended December 31, 2022	2021	Change	Change
	$	$	$	%	$	$	$	%
Listing expense	-	2,419	(2,419)	-100.0%	-	2,419	(2,419)	-100.0%

For the 3 months ending December 31, 2022, Listing Expense decreased $2.4 million over the 3 months ending December 31, 2021.

For Fiscal 2022, Listing Expense decreased $2.4 million over Fiscal 2021.

Both decreases above are due to the one-time costs related to the Company completing its qualifying transaction that resulted in the reverse takeover of Givex Corporation on November 25, 2021 and its listing on the TSX. See more details about the Transaction above. Ongoing costs incurred subsequently of becoming a public company are included in "General and administrative" costs above.

Foreign exchange (gain)/ loss

(in thousands of C$, except percentages)	3 months ended December 31, 2022	2021	Change	Change	Fiscal year ended December 31, 2022	2021	Change	Change
	$	$	$	%	$	$	$	%
Foreign exchange loss (gain)	(316)	(17)	(299)	1758.8%	(474)	453	(927)	-204.6%

For the 3 months ending December 31, 2022, foreign exchange loss (gain) decreased by $0.3 million compared to the 3 months ending December 31, 2021.

For Fiscal 2022, foreign exchange loss (gain) decreased by $0.9 million compared to Fiscal 2021.

Items included in our results are measured in our functional currency, which is the Canadian dollar, and foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the date of the transactions or when items are re-measured at the end of the fiscal period, with resulting gains and losses subsequently being recognized. Foreign exchange gains or losses are due to the overall strengthening or weakening of foreign currencies in terms of the Canadian dollar.

See "Foreign Currency Exchange Risk" as noted further below for more information on foreign exchange.

Net finance costs

(in thousands of C$, except percentages)	3 months ended December 31, 2022	2021	Change	Change	Fiscal year ended December 31, 2022	2021	Change	Change
	$	$	$	%	$	$	$	%
Net finance costs	223	161	62	38.5%	717	557	160	28.7%

For the 3 months ending December 31, 2022, net finance costs increased $0.06 million compared to the 3 months ending December 31, 2021. For Fiscal 2022, net finance costs increase $0.2 million compared to Fiscal 2021.

Net Finance Costs include interest on bank loan facilities, promissory notes, and interest on lease liabilities. These finance costs are offset by interest income earned in the period to arrive at net finance costs. Both increases above primarily due to higher interest rates and the net increase in the bank loan due to the additional borrowings related to the Loyalty Lane and Counter Solution acquisitions. See "Use of Proceeds" below for additional information on the borrowings used for these acquisitions.

Income tax provision

(in thousands of C$, except percentages)	3 months ended December 31, 2022	2021	Change	Fiscal year ended December 31, 2022	2021	Change
	$	$	$	$	$	$
Income tax provision						
Current	(1,284)	1,361	(2,645)	689	1,197	(508)
Deferred	1,037	(1,013)	2,050	(660)	(328)	(332)
Income tax provision	(247)	348	(595)	29	869	(840)

Givex and its subsidiaries are subject to income taxes. The differences between the Company's subsidiaries' reported income tax provision (recovery) on income (loss) before income taxes and the provision (recovery) that would otherwise result from the application of the expected statutory income tax rates applicable to each subsidiary primarily consist of amortization for accounting in excess of depreciation for tax purpose, non-deductible foreign exchange gains and losses, losses carried forward, and non-deductible expenses.

As disclosed in prior financial statements, Givex Canada Corp. is subject to an ongoing tax audit by the Canada Revenue Agency pertaining to transfer fees between Givex Corporation and Givex Canada Corp. If the tax authority is successful with their challenges, the Corporation's income tax expense may be adversely affected. On June 17, 2022, Givex Canada Corp received notices of reassessment from the Canada Revenue Agency for $0.6 million plus interest as the result of this audit. The Corporation has paid the assessment however intends to dispute the assessment and has worked with legal counsel to file Notices of Objections. The payment has been recorded in prepaid expenses.

Use of Proceeds

As per the Filing Statement dated November 14, 2021 posted on SEDAR as part of the above Transaction, the Company disclosed it allocated $15 million of funds towards potential acquisitions.

As noted above, the Company has since closed three acquisitions: Kalex, Loyalty Lane and Counter Solutions.

For Kalex, the Company paid aggregate consideration of $2.5 million, of which $1 million was paid in cash and the remainder was paid through the issuance of shares of the Company and a promissory note.

For Loyalty Lane, the Company paid aggregate consideration of $7.7 million, of which $7.6 million was paid in cash (with $3 million funded through bank debt), and the remainder paid through the issuance of shares of the Company.

For Counter Solutions, the Company paid aggregate consideration of $5.9 million, of which $5.1 million was paid in cash (with $3 million funded through bank debt), and the remainder will be paid through contingent consideration.

This is summarized below:

(in millions)

Proceeds	Acquisition Name	Acquisition Price	Cash Component of consideration paid	Bank Borrowings	Totals
Proceeds Allocated					**$15.0**
Acquisitions to date					
	Kalex	$2.5	$1.0	-	$1.0
	Loyalty Lane	$7.7	$7.6	$3.0	$4.6
	Counter Solutions	$5.9	$5.1	$3.0	$2.1
Total Acquistion spending to date			$13.7	$6.0	$7.7
Balance					**$7.3**

The Company anticipates spending the balance of $7.3 million on future acquisitions that the Board deems appropriate and are in the best interest of the Company. The Company confirms that there have been no variances in the spending of these allocated funds. The Company notes that the Filing Statement does not set out a timeframe in which the aggregate $15 million will be spent on acquisitions and therefore there are no impacts to the Company’s business or milestones.

Key Balance Sheet Information

(in thousands of C$)	December 31, 2022 $	December 31, 2021 $	December 31, 2020 $
Cash and Cash Equivalents	24,431	36,817	15,065
Total Assets	82,053	70,717	47,078
Total Liabilities	35,005	23,737	22,144
Total Current Liabilities	26,004	18,568	14,499
Total Long-Term Liabilities	9,001	5,169	7,645

See ‘‘Results of Operations’’ in this MD&A for a more detailed discussion of the year-over-year changes in revenues and net income (loss).

Total Assets

Fiscal 2022 Compared to Fiscal 2021

Total Assets increased $11.3 million from $70.7 million as at December 31, 2021 to $82.0 million as at December 31, 2022.

This includes an increases of $4.0 million in accounts receivable, $9.1 million in goodwill and $5.2 million in intangible assets, all primarily due to the Loyalty Lane, Kalex and Counter Solutions acquisitions. The increase also includes increases of inventory of $1.8 million and $5.4 million in restricted cash

This is partially offset by a decrease in cash of $12.4 million, also primarily due to the Loyalty Lane, Kalex and Counter Solution acquisitions. The loans receivable also decreased $0.9 million.

Fiscal 2021 Compared to Fiscal 2020

Total Assets increased $23.6 million from $47.1 million as at December 31, 2020 to $70.7 million as at December 31, 2021. This increase is primarily due to cash and cash equivalents increasing by $21.7 million, largely due to the proceeds received from the $22 million subscription receipt financing as described above.

Total Liabilities

Fiscal 2022 Compared to Fiscal 2021

Total Current Liabilities increased by $7.4 million from $18.6 million at December 31, 2021 to $26.0 million at December 31, 2022.

This includes an increase of $7.0 million in trade and other payables, and $1.4 million in contract liabilities, all primarily due to the acquisitions of Loyalty Lane, Kalex and Counter Solutions. This is partially offset by net repayments of $1.6 million in the current bank loan.

Total Long-Term Liabilities increased by $3.8 million from $5.2 million at December 31, 2021 to $ 9.0 million at December 31, 2022.

This includes a $3.7 million increase in the long-term portion of bank loans, an increased in deferred tax liability of $0.7, and an increase of $0.7 million of contingent consideration, all primarily related to the acquisitions of Loyalty Lane, Kalex and Counter Solutions. This is partially offset by a reduction in long-term lease liabilities of $1.4 million.

Fiscal 2021 Compared to Fiscal 2020

Total Current Liabilities increased by $4.1 million from December 31, 2020 to December 31, 2021.

This includes an increase of $2.0 million in accounts payable, $1.5 million in the current portion of the bank loan, and $0.8 million in contract liabilities. This is partially offset by a repayments of $1 million in the current portion of the promissory notes.

Total Long-Term Liabilities decreased by $2.5 million from December 31, 2020 to December 31, 2021.

This is primarily due a $1.2 million decrease in lease liabilities and net repayments in the long term portion of the bank loans of $1.4 million.

QUARTERLY RESULTS OF OPERATIONS

The following table sets forth selected unaudited quarterly statements of operations data for each of the eight quarters ended December 31, 2022 in accordance with IFRS. This data should be read in conjunction with our audited annual consolidated financial statements and their related notes. These quarterly operating results are not necessarily indicative of our operating results for a full year or any future period.

	3 months ended							
(in thousands of C$)	**Dec. 31 2022**	**Sept. 30 2022**	**June 30 2022**	**Mar. 31 2022**	**Dec. 31 2021**	**Sept. 30 2021**	**June 30 2021**	**Mar. 31 2021**
	$	**$**	**$**	**$**	**$**	**$**	**$**	**$**
Revenue	21,321	18,407	16,845	16,332	15,226	14,569	12,425	12,986
Direct cost of revenue	6,856	5,680	5,021	5,418	4,698	4,271	3,857	4,252
Gross profit	14,465	12,727	11,824	10,914	10,528	10,298	8,568	8,734
Operating Expenses	14,691	15,643	15,054	13,891	15,099	9,049	7,996	8,596
Income (loss) before undernoted items and income taxes	(226)	(2,916)	(3,230)	(2,977)	(4,571)	1,249	572	138
Net Finance Costs	223	210	153	131	161	139	127	130
Income (loss) before income taxes	(449)	(3,126)	(3,383)	(3,108)	(4,732)	1,110	445	8
Income tax expense (recovery)	(247)	273	530	(527)	348	488	16	17
Income (loss) and comprehensive income (loss)	(202)	(3,399)	(3,913)	(2,581)	(5,080)	622	429	(9)
Earnings (loss) per share								
Basic and diluted	(0.00)	(0.03)	(0.03)	(0.02)	(0.06)	0.01	0.01	(0.00)

- In the normal course, the Company's revenue results vary on a quarterly basis due to a number of factors including the volume of transactions processed, the timing of when new customers and orders come aboard, and when new acquisitions are closed.

- In 2021, COVID-19 further impacted the above variability, in a manner that can further influence revenue and direct cost comparability on a quarterly basis.

- Operating expenses for 2021 are impacted by government sponsored COVID-19 wage subsidy assistance programs earned in the quarter that reduce costs and can influence operating cost comparability on a quarterly basis

- Operating expenses are signficantly higher in Q4 2021 as they include the $2.4 million in costs related to the Transaction (as noted above) and $3.6 million in share-compensation expense related to the adoption of the stock option plan and RSU plan.

- Revenue and direct cost of revenue are higher throughout Fiscal 2022 compared to Fiscal 2021 due to both organic growth and the Kalex, Loyalty Lane and Counter Solutions acquisitions (as further described above).

- Operating expenses are significantly higher in Fiscal 2022 compared to Fiscal 2021 as they include share-based compensation expense (further discussed above) for a full year related to the adoption of the stock option plan and RSU plan, as well as payroll and non-payroll costs associated with the Kalex, Loyalty Lane and Counter Solutions acquisitions (as further described above).

Liquidity and Capital Resources

Overview

Our financial condition and liquidity are and will continue to be influenced by a variety of factors, including:

• Our ability to generate cash flows from our operations;
• The level of our outstanding indebtedness and the interest we are obligated to pay on this indebtedness; and
• Our capital expenditure requirements.

The general objectives of our capital management strategy are to ensure sufficient liquidity to pursue our organic growth strategy and undertake selective acquisitions, while maintaining a strong credit profile and a capital structure that maintains total leverage ratio within the limits set in the Credit Facilities.

Our primary source of liquidity is cash from operations and debt and equity financing. Our principal liquidity needs include investment in our product and technology and selective acquisitions, as well as operations, selling and general and administrative expenses and debt service. In addition to the cash balances, we have a Credit Facility available to be drawn to meet ongoing working capital requirements.

We believe that our available cash, cash flows generated from operations, and loans and borrowings available to us will be sufficient to meet our projected operating and capital expenditure requirements for the Company's future operating cash needs.

Credit Facility

The Company has credit facilities with The Bank of Nova Scotia which includes a $3 million demand revolving operating line of credit and a $10 million revolving term facility to help fund acquisitions.

These facilities are secured by a general security agreement constituting a first ranking security interest in all the assets of Givex Canada Corporation, general postponement and subordination of payments to shareholders, and intercompany loans. In addition, all entities under the definition of the consolidated group in the agreement terms have provided a guarantee for an unlimited amount on the facilities. The Corporation should not exceed the advances under the operating line of credit of $3 million.

In addition, the Company shall maintain a ratio of consolidated current assets to consolidated current liabilities of not less than 1.25:1, a Consolidated Fixed Coverage Ratio of not less than 1.20 to 1.00, a minimum Equity to Capitalization Ratio of not less than 20% and a Consolidated Total Funded Debt to Consolidated EBITDA ratio equal to or less than 3.00:1. During Fiscal 2022 and Fiscal 2021, the Corporation was in compliance with these covenants.

As at December 31, 2022 there is $2.2 million available to draw on the demand revolving line of credit and $4.3 million available on the revolving term facility.

Working Capital

Our approach to managing liquidity is to ensure, to the extent possible, that we always have sufficient liquidity to meet our liabilities as they become due.

We do so by monitoring cash flow on a regular basis. We also have $24.4 million cash and cash equivalents as at December 31, 2022. In addition to the cash balances, we have a $3 million demand revolving operating line of credit and a $10 million revolving term facility to help fund acquisitions, both of which are described under "Credit Facility" above.

Working capital surplus at December 31, 2022 was $25.0 million.

Given our existing cash, working capital surplus, and credit facilities, we believe there is sufficient liquidity to meet our current and short-term growth requirements in addition to our long-term strategic objectives.

Cash Flows

The following table presents cash and cash equivalents as at December 31, 2022 and 2021, and cash flows from operating, investing, and financing activities for Fiscal 2022 and 2021:

	Fiscal Year Ended December 31	
	2022	**2021**
(in thousands of C$)	$	$
Net Cash Provided by (Used in)		
Operating Activities	5,528	8,145
Investing Activities	(15,975)	(3,174)
Financing Activities	(1,842)	16,440
Effect of foreign exchange on cash and cash equivalents	(97)	341
Net increase (decrease) in cash and cash equivalents	(12,386)	21,752
Cash and Cash Equivalents - beginning of period	36,817	15,065
Cash and Cash Equivalents - end of period	24,431	36,817

Cash Flows Used in Operating Activities

For Fiscal 2022, cashflows provided by operating activities of $5.5 million include a net loss of $10.1 million, add back of non-cash expenses of $16.3 million, and cash inflows of $0.4 million attributable to working capital items.

For Fiscal 2021, cashflows provided by operating activities of $8.1 million include a net loss of $4.0 million, non-cash expenses of $10.5 million and cash inflows of $3.0 million attributable to working capital items.

Cash Flows Used in Investing Activities

For Fiscal 2022, cashflows used by investing activities of $16.0 million primarily related to $10 million consideration paid on the acquisitions of Kalex, Loyalty Lane and Counter Solutions (net of cash acquired), $1.5 million for the purchase of property and equipment, and the increase in restricted cash of $5.4 million.

For Fiscal 2021, cashflows used by investing activities of $3.2 million primarily related to $1.2 million received from County Capital 2 Ltd on the Transaction netted against an increase in restricted cash, of $2.7 million, the $1.0 million consideration paid on the acquisition of Pi Cash and the $0.8 million purchase of property and equipment.

Cash Flows from Financing Activities

For Fiscal 2022, cashflows used by financing activities of $1.8 million primarily relates to an increase in net borrowings on the credit facility of $2.1 million reduced by the $2.5 million repayment of lease liabilities and $1.0 million of withholding tax paid in advance.

For Fiscal 2021, cashflows provided by financing activities of $16.4 million primarily relates to the $22 million raised in the subscription financing as described above, reduced by the $2.3 million of issuance costs related to the subscription financing, and the repayment of lease liabilities and promissory notes.

Based on our current cash and working capital balance and available financing, we believe that cash flows from operations, together with credit available under the credit facility, will be adequate to meet the Company's future operating cash needs.

Contractual Obligations

The following is a summary of contractual obligations pertaining to the cash flows of the Company:

	Payments Due by Period				
(in thousands of C$)	**Less than 1 year**	**1-3 years**	**4-5 years**	**after 5 years**	**Total**
Trade and Other Payables	$13,696				$13,696
Government Remittances Payable	$458				$458
Income Taxes Payable	$935				$935
Promissory Notes Payable	$737	$391			$1,128
Contingent Consideration	$133	$947			$1,080
Debt	$2,373	$3,640	$500		$6,513
Lease Obligations	$2,552	$2,736	$51		$5,339
Contract Liabilities	$5,226				$5,226
Total Contractual Obligations	$26,110	$7,714	$551	$0	$34,375

Off-Balance Sheet Arrangements

We have not entered into off-balance sheet financing arrangements, other than low value and short-term leases. From time to time, we may be contingently liable with respect to litigation and claims that arise in the normal course of operations.

Related Party Transactions

The Company transacts with key individuals from management who have authority and responsibility to plan, direct, and control the activities of the Company. Key management is defined as the executive officers of the Company (CEO, CFO, President, COO, CCO and EVP, HR).

Remuneration and net loans receivable from key management was as follows (in 000's):

	Fiscal year ended December 31	
	2022	2021
Salaries and benefits	1,972	1,285
Stock-based compensation	2,969	1,335

During Fiscal 2022, AJP Digital Inc charged license fees of $120 (2021-$120) to the Company, which are included in general and administration expenses. The Company licenses "ToolJar" from AJP Digital Inc. for an annual subscription fee of $120. The ToolJar software is owned by AJP Digital Inc., a corporation wholly owned by Krane & Company Inc., a corporation wholly owned by Drake & Noseworthy Trust, of which Don Gray, Chief Executive Officer of Givex, and Debra Demeza, Executive Vice President of Human Resources, are beneficiaries.

During Fiscal 2022, La Fenice Inc. charged consulting fees of $220 (2021-$240) to the Company, which are included in general and administration expenses. Givex contracts with La Fenice Inc., which owns and operates a restaurant in Toronto, Ontario, to test Givex's POS system and other Givex products in real-time in a live environment. For these services, Givex paid La Fenice Inc. an aggregate of $120 in 2020, $20 per month in 2021, $20 per month in 2022 from January to October, and $10 per month from November onwards, for this testing environment. La Fenice Inc. is wholly owned by AJP Digital Inc., a corporation wholly owned by Krane & Company Inc., a corporation wholly owned by Drake & Noseworthy Trust, of which Don Gray, Chief Executive Officer of Givex, and Debra Demeza, Executive Vice President of Human Resources, are beneficiaries.

As at December 31, 2022, net loans receivable of $260 ($1,144 at December 31, 2021) are due from AJP Digital Inc. and Drake & Noseworthy Trust (both of which are related as described above). The loans are non-interest bearing, unsecured and have no fixed terms of repayment.

William Gray was the President of Loyalty Lane, Inc, where he was also a minority shareholder. He is the brother of Don Gray, the Corporation's CEO. The Loyalty Lane, Inc. acquisition was approved by the Corporation's Board of Directors, with Don Gray abstaining from the vote. As part of the acquisition, the Corporation has retained William Gray by employment agreement to continue to act in the capacity of President of Loyalty Lane, Inc.

Financial Instruments and Other Instruments

Credit and Concentration Risk

Generally, the carrying amounts in our consolidated statement of financial position exposed to credit risk, net of any applicable provisions for losses, represents the maximum amount exposed to credit risk.

Our credit risk is primarily attributable to our cash and cash equivalents, loans receivable, and trade receivables. We do not require guarantees from our customers. Credit risk with respect to cash and cash equivalents is managed by maintaining balances only with high credit quality financial institutions.

Due to our diverse customer base, there is no concentration of credit risk related to our trade receivables. Moreover, balances for trade receivables are managed and analyzed on an ongoing basis to ensure expected credit losses are established and maintained at an appropriate amount.

We maintain a provision for impairment of a portion of trade receivables when collection becomes doubtful. We estimate anticipated losses from doubtful accounts based upon the expected collectability of all trade receivables, which estimate considers the number of days past due, collection history, identification of specific customer exposure, current economic trends, and the impact of the COVID-19 pandemic.

The maximum exposure to credit risk at the reporting date is the carrying value of each class of receivables mentioned above. We do not hold any collateral as security.

Foreign Currency Exchange Risk

We are exposed to currency risk due to financial instruments denominated in foreign currencies. We have not entered into arrangements to hedge our exposure to currency risk.

	USD	EUR	GBP	HKD	AUD	BZL	Other	Total
	$	€	£	$	$	R$		
As at December 31, 2022								
Cash and cash equivalents	$ 2,744	$ -	$ 3,325	$ 1,529	$ 1,341	$ 5,005	$ 1,228	$ 15,172
Restricted cash	3,008	-	51	-	76	-	-	3,135
Term deposits	-	-	-	-	537	-	-	537
Trade receivables	2,780	-	1,446	3,853	785	1,150	783	10,797
Loans receivable	-	1,157	-	-	-	-	-	1,157
Trade and other payables	(4,684)	-	(1,484)	(3,774)	(184)	(294)	(786)	(11,206)
Promissory notes payable	-	-	-	-	-	-	(2,054)	(2,054)
Contingent consideration payable	-	-	-	-	-	-	(166)	(166)
Loans payable (included within loans receivable on	(1,205)	-	-	-	-	-	-	(1,205)
Net financial position exposure	$ 2,643	$ 1,157	$ 3,338	$ 1,608	$ 2,555	$ 5,861	$ (995)	$ 16,167

Interest Rate Risk

Interest rate risk is the risk that changes in interest rates will negatively impact earnings and cash flows. Certain of our cash earns interest. Our exposure to interest rate risk is related to our credit facilities. We are not exposed to material interest rate risk.

Critical Accounting Policies and Estimates

The preparation of our consolidated financial statements in accordance with IFRS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, revenues and expenses during the reporting period, and the disclosure of contingent assets and liabilities at the date of the consolidated financial statements. In the process of applying the Company's accounting policies, management has identified the following areas as having the most significant estimates and judgements on the amounts recognized in the financial statements.

For a discussion of all the Company's accounting policies, please see the audited consolidated financial statements for the year ended December 31, 2022 available on SEDAR at www.sedar.com.

Revenue recognition

The Company's main sources of revenue are services and payments and hardware and other fees. The Corporation recognizes revenue in a manner which depicts the transfer of promised goods or services in an amount which reflects the consideration to which the Company expects to be entitled in exchange for those goods and services.

For each performance obligation within a contract with a customer, the Company determines whether the performance obligation is satisfied and control of the goods or services is transferred over time or at a point in time.

For performance obligations that are satisfied over time, the customer simultaneously receives and consumes the benefits. As a practical expedient, in instances in which the Company has a right to consideration in an amount that corresponds directly with value to customer, the Company recognizes revenue in the amount to which it has the right to invoice. In all other instances, revenue is recognized over the period in which the services are provided, which is evenly throughout the period.

For performance obligations satisfied at a point in time, revenue is recognized when control of the goods or services are transferred to the customer which is either when the goods are shipped or delivered depending on the contract, or when the services are rendered. In determining when control is transferred to the customer, the Company takes into consideration several factors including who primarily bears the risk of loss.

When another party is involved in providing goods or services to the customer, the Company determines whether it is the principal or the agent in the transaction by evaluating the nature of the promise. The Company is the principal and records revenue on a gross basis if it controls the promised goods or services before transferring them to the customer. However, if the Company's role is only to arrange for another entity to provide the goods or services, then the Company is the agent and will record revenue at the net amount that it retains for its agency services.

Business combinations

Business combinations are accounted for in accordance with the acquisition method. The consideration transferred and the acquiree's identifiable assets, liabilities and contingent liabilities are measured at their fair value at the date of acquisition. The Corporation estimates the fair value by using appropriate valuation techniques which are generally based on a forecast of the total expected future net discounted cash flows. Significant estimates and judgements include the future net cash flows and discount rates used to estimate the fair value of the acquired intangible assets. In addition, the Corporation determines the value of contingent consideration associated with acquisitions based on an assessment of probabilities attached to the achievement of performance targets as set out in the related agreements. Changing probabilities can result in material adjustments to the fair value of contingent consideration amounts.

Impairment of long-lived assets and goodwill

Long-lived assets, which comprise property and equipment, right-of-use assets and intangible assets subject to amortization are tested for impairment whenever events or changes in circumstances indicate that their carrying amount may not be recoverable. Management assesses whether such indicators exist at each reporting date. Goodwill is tested for impairment at least annually or when there is an indication that the asset might be impaired.

For impairment testing, assets other than goodwill are grouped at the lowest level for which there are separately identifiable cash inflows. Impairment losses are recognized and measured as the excess of the carrying value of the assets over their recoverable amount. An asset's recoverable amount is the higher of its value in use and its fair value less costs of disposal. Value in use is defined as the present value of the future cash flows expected to be derived from an asset or a CGU. Previously recognized impairment losses, other than those attributable to goodwill, are reviewed for possible reversal at each reporting date and, if the asset's recoverable amount has increased, all or a portion of the impairment loss is reversed. The carrying amount of an asset or CGU after a reversal must not exceed the carrying amount (net of amortization) that would have been determined had no impairment loss been recognized.

For the purpose of goodwill impairment testing, goodwill is allocated to CGUs or groups of CGUs representing the lowest level that the assets are monitored for internal reporting purposes. Goodwill is tested for impairment by comparing the carrying value of each CGU containing the assets to its recoverable amount; an impairment loss is recognized for the amount by which the CGU's carrying amount exceeds its recoverable amount. Impairment losses recognized in respect of a CGU are first allocated to the carrying value of goodwill and any excess is allocated to the carrying amount of assets in the CGU on pro rata basis.

Share-based Payments

The fair value at the grant date of stock options and restricted share units is estimated using the Black-Scholes option pricing model. Stock-based compensation cost is recognized on a straight-line basis over the expected vesting period of the stock options. Each tranche of an award is considered a separate award with its own vesting period and grant date fair value. Expected volatility is determined using historical volatility of publicly-traded comparable companies, the risk-free interest rates are based on Government of Canada bond yields and the expected term of the option is calculated based on a combination of each tranche's time to vest plus the actual and expected life of an award based on the past activity or remaining time to expiry on outstanding awards. The Corporation estimates the number of options expected to vest at the grant date and revises the estimate if subsequent information indicates that the actual number of units to vest differs significantly from the original estimate. The stock-based compensation cost is recognized directly in the consolidated statements of income (loss) and comprehensive income (loss) over the vesting period, with the corresponding credit recorded to contributed surplus. When stock options are exercised, the consideration and related contributed surplus are recorded in share capital.

Goodwill

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred, which is measured at acquisition date fair value, contingent consideration and the amount of any non-controlling interests in the acquiree. For each business combination, the Corporation elects whether to measure the non-controlling interests in the acquiree at fair value or at the proportionate share of the acquiree's identifiable net assets. Acquisition-related costs are expensed as incurred and included in administrative expenses. Contingent consideration is measured at fair value using a discounted cash flow model.

When the Corporation acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. Goodwill, which represents the excess of the purchase price of acquired business over the fair value of the net assets acquired, is not amortized. Goodwill is tested for impairment at least annually or when there is an indication that the asset might be impaired. Any contingent consideration to be transferred by the acquirer will be recognized at fair value at the acquisition date.

Leases

At inception of a contract, the Corporation 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 Corporation 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, less any lease incentives received. The right-to-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term, which is considered the appropriate useful life of any such asset. In addition, the right-to-use asset is reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability, to the extent necessary.

The lease term includes periods covered by an option to extend if the Corporation is reasonably certain to exercise that option. Lease terms range from 24 to 207 months for commercial and datacentre leases.

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 determinable, the Corporation's incremental borrowing rate. Lease payments included in the measurement of the lease liability comprise fixed payments.

The Corporation has elected 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 Corporation recognizes the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

On the consolidated statements of cash flows, lease payments related to short-term leases and low value assets are not included in lease liabilities and are classified as cash flows from operating activities, whereas the remaining lease payments are classified as cash flows from financing activities.

Functional Currency

The Corporation exercises judgment in determining the functional currency of the Corporation and each of its subsidiaries. An entity’s functional currency is the currency of the primary economic environment in which the entity operates. The primary economic environment in which an entity operates is normally the one in which it primarily generates and expends cash. An entity considers the following factors in determining its functional currency:

(a) the currency that mainly influences sales prices for goods and services (this will often be the currency in which sales prices for its goods and services are denominated and settled) and of the country whose competitive forces and regulations mainly determine the sales prices of its goods and services; and

(b) the currency that mainly influences labour, material and other costs of providing goods or services (this will often be the currency in which such costs are denominated and settled).

COVID-19 Pandemic

The uncertainties around COVID-19 required the use of judgments and estimates which resulted in no material accounting impacts for the Fiscal 2021 and Fiscal 2022, other than the impact on expected credit losses driven by the changes in the macro-economic environment due to COVID-19. The future impact of COVID-19 uncertainties could generate, in future reporting periods, a risk of material adjustment to the following: revenue recognition, estimated losses on revenue-generating contracts, goodwill and intangible impairment and other assets and liabilities.

Recently Issued Accounting Standards Not Yet Adopted

From time to time, new accounting pronouncements are issued by the International Accounting Standards Board (“IASB”) or other standards-setting bodies and are adopted as of the specified effective date. No new accounting pronouncements are expected to materially impact the Company as at December 31, 2022. See the Company’s annual audited consolidated financial statements and notes related thereto for the years ended December 31, 2022 and 2021 as posted on SEDAR for further information.

Outstanding Share Information

Givex is a publicly traded company listed under the symbol "GIVX" on the Toronto Stock Exchange ("**TSX**"). Our authorized share capital currently consists of an unlimited number of common shares ("**Givex Shares**") without par value and an unlimited number of Givex Preferred Shares. As at the date of this MD&A, the Company had the following securities issued and outstanding: (i) 126,465,531 Givex Shares; 11,772,500 common share purchase warrants ("**Givex Warrants**"); (ii) 1,538,600 compensation or advisory options to purchase units of Givex each entitling its holder to acquire one unit of Givex, each unit being comprised of one Givex Share and one-half of one Givex Warrant at a price of $1.00 until November 25, 2023 ("**Givex Compensation Options**"); (iii) 65,308 non-transferable common share purchase warrants exercisable at a price of $0.92 per Givex Share until February 23, 2026 ("**Broker Warrants**"); (iv) 7,647,800 stock options granted pursuant to the Company's incentive stock options plan ("**Givex Options**"); and (v) 4,096,675 restricted share units granted pursuant to the Company's restricted share unit plan, ("**Givex RSUs**"). There are no Preferred Shares issued and outstanding in the Company.

As at the date of this MD&A, there are 126,465,531 Givex Shares issued and outstanding. Each Givex Share entitles the holder thereof to: (i) receive notice of, attend and vote at all meetings of the shareholders of the Company, and each Givex Share confers the right to one vote at all such meetings; (ii) receive and participate equally and rateably in any dividends declared on the Givex Shares, if and when declared by the Givex Board, in their sole discretion; and (iii) receive and participate equally and rateably in any distribution of the assets of the Company in the event of liquidation, dissolution or winding-up of the Company, whether voluntary or involuntary, or any other distribution of the assets of the Company among its shareholders for the purpose of winding up its affairs. The total issued and outstanding shares include the 2 million common shares issued to retain a key employee as part of the Counter Solutions acquisition. These shares are retractable based on Counter Solutions meeting agreed targets and on the continued employment of the key employee until fully vested. This acquisition is further described above.

As at the date of this MD&A, there are no Givex Preferred Shares issue and outstanding. The Givex Preferred Shares may be issued from time to time in one or more series, each series consisting of the number of shares and having the designation, rights, privileges, restrictions and conditions which the Givex Board determines prior to the issue thereof. The Preferred Shares rank prior to the Givex Shares with respect to the payment of dividends and distribution in the event of liquidation, dissolution or winding-up of the Company.

As at the date of this MD&A, 11,772,500 Givex Warrants to acquire an aggregate of 11,772,500 Givex Shares are issued and outstanding. Each Givex Warrant entitles the holder to purchase one Givex Share at an exercise price of $1.25 until November 25, 2023. The Givex Warrants include: (i) 11,000,000 Givex Warrants as exchanged from Prior Givex Warrants under the Subscription Receipts (which are governed by the Warrant Indenture); (ii) 625,000 Givex Consultant Warrants; and (iii) 147,500 Givex Warrants comprising part of the Givex Compensation Units.

As of the date of this MD&A, there are 65,308 Broker Warrants issued and outstanding. Each Broker Warrant entitles the holder to purchase one Givex Share at a price of $0.92 until February 23, 2026.

As at the date of this MD&A, 1,538,600 Givex Compensation Options are issued and outstanding. Each Givex Compensation Option entitles the holder to purchase one Givex Share and one half of one Givex Warrant at a price of $1.00 until November 25, 2023.

As of the date of this MD&A, there are 7,647,800 Givex Options to purchase 7,647,800 Givex Shares issued and outstanding. Each Givex Option entitles the holder to purchase one Givex Share, at various exercise prices and expiry dates. The Givex Options include: 111,800 Givex Options exercisable at a price of $0.46 per Givex Share until the earlier of February 23, 2031 and 12 months from the date that the option holder ceases to be a director of the Company; 26,000 Givex Options exercisable at a price of $0.46 per Givex Share until February 23, 2031; 6,760,000 Givex Options exercisable at a price of $1.00 per Givex Share until November 25, 2024; 50,000 Givex Options exercisable at a price of $1.00 per Givex Share until April 1, 2025, and 700,000 Givex Options exercisable at a price of $0.50 until January 9, 2025.

As of the date of this MD&A, there are 4,096,675 Givex RSUs issued and outstanding. Each Givex RSU entitles the holder to one Givex Share upon the occurrence of the prescribed vesting date for such Givex RSU in the applicable Givex RSU Agreement, which is governed by the terms of the Givex RSU Plan.

Disclosure Controls and Internal Controls Over Financial Reporting

Controls and Procedures

Disclosure controls and procedures are designed to provide reasonable assurance that information required to be disclosed in reports filed with securities regulatory authorities are recorded, processed, summarized, and reported in a timely fashion. The disclosure controls and procedures are designed to ensure that information required to be disclosed by the Company in such reports is then accumulated and communicated to the Company's management to ensure timely decisions regarding required disclosure. Management regularly reviews disclosure controls and procedures; however, they cannot provide an absolute level of assurance because of the inherent limitation in control systems to prevent or detect all misstatements due to error or fraud. The Chief Executive Officer and Chief Financial Officer, along with management, have evaluated and concluded that the Company's disclosure controls and procedures as at December 31, 2022 were effective.

Internal Controls over Financial Reporting

The Chief Executive Officer and Chief Financial Officer are responsible for establishing and maintaining internal controls over financial reporting. The Company's internal controls over financial reporting are designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with IFRS. The Chief Executive Officer and Chief Financial Officer have been advised that the control framework the Chief Executive Officer and Chief Financial Officer used to design the Company's internal controls over financial reporting is recognized by the Committee of Sponsoring Organizations of the Treadway Commission.

The Chief Executive Officer and Chief Financial Officer have evaluated, or cause to be evaluated under their supervision, whether or not there were changes to its internal controls over financial reporting during the year ended December 31, 2022 that have materially affected, or are reasonably likely to materially affect the Company's internal controls over financial reporting. No such changes were identified through their evaluation. The Chief Executive Officer and Chief Financial Officer, along with management, have evaluated and concluded that the Company's internal controls over financial reporting as at December 31, 2022 were effective.

Limitation of Controls and Procedures

Management, including the Chief Executive Officer and Chief Financial Officer, believes that any disclosure controls and procedures or internal controls over financial reporting, no matter how well conceived and operated, can provide only reasonable, not absolute assurance that the objectives of the control system are met. Further, the design of a control system must reflect the fact that there are resource constraints, and the benefits of controls must be considered relative to their costs. Because of the inherent limitations in all control systems, they cannot provide absolute assurance that all control issues and instances of fraud, if any, within the Company have been prevented or detected. There inherent limitations include that judgments in decision-making can be faulty, and that breakdowns can occur because of simple errors or mistakes. Additionally, controls can be circumvented by the individual acts of some persons, by collusion of two or more people or by unauthorized override of the control. The design of any system of controls is also based in part upon certain assumptions about the likelihood of future events and there can be no assurance that any design will succeed in achieving its stated goals under all potential future conditions. Accordingly, because of the inherent limitations in a cost-effective control system, misstatements due to error or fraud may occur and not be detected.

Limitation of Scope of Design

The scope of design of internal controls over financial reporting and disclosure controls and procedures excluded the controls, policies, and procedures of Kalex Equipment Services, which was acquired on January 25 2022, Loyalty Lane, Inc., which was acquired on February 17, 2022, and Counter Solutions Holdings LTD, which was acquired on August 15, 2022.

Kalex's contribution to our Consolidated Statements of Income (Loss) and Comprehensive Income (Loss) for Fiscal 2022 was 6% of total revenues and a positive 3% of total net loss, excluding the amortization of intangible assets. Additionally, as at December 31, 2022, Kalex's current assets were 3% of consolidated current assets and current liabilities were 3% of consolidated current liabilities, and its non-current assets were below 1% of consolidated non-current assets, and non-current liabilities were 2% of consolidated non-current assets and non-current liabilities, respectively.

Loyalty Lane's contribution to our Consolidated Statements of Income (Loss) and Comprehensive Income (Loss) for Fiscal 2022 was 8% of total revenues and less than 1% of total net loss, excluding the amortization of intangible assets. Additionally, as at December 31 2022, Loyalty Lane's current assets were 3% of consolidated current assets and current liabilities were less than 7% of consolidated current liabilities, and its non-current assets and non-current liabilities were below 1% of consolidated non-current assets and non-current liabilities, respectively.

Counter Solution's contribution to our Consolidated Statements of Income (Loss) and Comprehensive Income (Loss) for Fiscal 2022 was less than 2% of total revenues and less than 1% of total net loss, excluding the amortization of intangible assets. Additionally, as at December 31, 2022, Counter Solution's current assets were 9% of consolidated current assets and current liabilities were below 14% of consolidated current liabilities, and its non-current assets and non-current liabilities were below 1% of consolidated non-current assets and non-current liabilities, respectively.

Risk Factors

For a list of risk factors, see the Company's most recently filed AIF, available on SEDAR at www.sedar.com.

Additional Information

Additional information relating to the Company, including the audited annual Consolidated Financial Statements and the Annual Information Form are available on SEDAR at www.sedar.com.