

**Givex Corp.**  
**Interim Condensed Consolidated Financial Statements**  
**(Unaudited)**  
**For the three and six months ended June 30, 2023 and 2022**  
(Expressed in thousands of Canadian dollars)

**Notice of No Auditor Review of the Interim Financial Statements**

The accompanying unaudited condensed interim financial statements of the Corporation have been prepared by and are the responsibility of the Corporation's management. The Corporation's independent auditor has not performed a review of these financial statements in accordance with standards established by the CPA Canada for a review of interim financial statements by an entity's auditor.

**Givex Corp.**  
**Interim Condensed Consolidated Statements of Financial Position**  
**(Unaudited)**  
**As at June 30, 2023 and December 31, 2022**  
**(Expressed in thousands of Canadian dollars)**

	June 30, 2023	December 31, 2022 (audited)
<b>Assets</b>		
Current assets:		
Cash and cash equivalents	\$ 21,905	\$ 24,431
Short-term investments (Note 5)	2,593	-
Restricted cash	5,260	8,054
Term deposits	473	494
Trade receivables	9,894	12,411
Inventory	4,032	4,105
Prepaid expenses and deposits	1,631	1,549
<b>Total current assets</b>	<b>45,788</b>	<b>51,044</b>
Non-current assets:		
Non-current prepaid expenses and deposits	840	811
Loans receivable	65	260
Property and equipment	2,351	2,529
Right-of-use assets	3,529	4,492
Goodwill (Note 6)	11,585	11,585
Intangible assets (Note 7)	6,856	7,794
Deferred income tax asset	3,404	3,538
<b>Total non-current assets</b>	<b>28,630</b>	<b>31,009</b>
<b>Total assets</b>	<b>\$ 74,418</b>	<b>\$ 82,053</b>
<b>Liabilities</b>		
Current liabilities:		
Current portion of bank loans (Note 8)	\$ 2,615	\$ 2,373
Trade and other payables	8,116	13,696
Government remittances payable	403	458
Income taxes payable	638	935
Current portion of contingent consideration payable	965	133
Current portion of promissory notes payable	556	737
Current portion of lease liabilities	2,222	2,446
Contract liabilities	6,073	5,226
<b>Total current liabilities</b>	<b>21,588</b>	<b>26,004</b>
Non-current liabilities:		
Bank loans (Note 8)	3,500	4,100
Forgivable loan	40	40
Contingent consideration payable	63	947
Promissory notes payable	-	391
Lease liabilities	1,770	2,594
Deferred income tax liability	831	929
<b>Total non-current liabilities</b>	<b>6,204</b>	<b>9,001</b>
<b>Total liabilities</b>	<b>27,792</b>	<b>35,005</b>
<b>Shareholders' Equity</b>		
Share capital (Note 9)	31,386	31,616
Contributed surplus	10,255	8,235
Retained earnings	4,985	7,197
<b>Total shareholders' equity</b>	<b>46,626</b>	<b>47,048</b>
<b>Total liabilities and shareholders' equity</b>	<b>\$ 74,418</b>	<b>\$ 82,053</b>

The accompanying notes form an integral part of these interim condensed consolidated financial statements

**Givex Corp.****Interim Condensed Consolidated Statements of Loss and Comprehensive Loss****(Unaudited)****For the three and six months ended June 30, 2023 and 2022****(Expressed in thousands of Canadian dollars)**

	Three Months Ended June 30,		Six Months Ended June 30,	
	2023	2022	2023	2022
<b>Revenue from contracts with customers</b>				
Services and payments revenue	17,041	16,123	\$ 34,774	\$ 31,250
Hardware and other revenue	2,392	722	3,817	1,927
Total revenue	19,433	16,845	38,591	33,177
<b>Direct cost of revenues</b>				
Services and payments revenue	4,091	4,248	9,194	8,844
Hardware and other revenue	1,248	426	2,082	1,248
Total direct cost of revenues	5,339	4,674	11,276	10,092
Gross profit	14,094	12,171	27,315	23,085
<b>Expenses</b>				
General and administrative (Note 13 and Note 15)	11,138	10,216	22,338	19,164
Sales and marketing	1,262	952	2,313	1,662
Foreign exchange loss	271	131	155	117
Depreciation of property and equipment	172	260	465	490
Depreciation of right-of-use assets	563	525	1,154	1,114
Share-based compensation (Note 10)	849	2,685	1,886	5,674
Amortization of intangible assets	469	632	938	1,071
	14,724	15,401	29,249	29,292
Loss before undernoted item and income taxes	(630)	(3,230)	(1,934)	(6,207)
Net finance costs	183	153	415	284
Loss before income taxes	(813)	(3,383)	(2,349)	(6,491)
Income tax expense (recovery) (Note 11)	165	530	(137)	3
<b>Loss and comprehensive loss</b>	\$ (978)	\$ (3,913)	\$ (2,212)	\$ (6,494)
Loss per share (Note 12)				
Basic and diluted	\$ (0.01)	\$ (0.03)	\$ (0.02)	\$ (0.06)

The accompanying notes form an integral part of these interim condensed consolidated financial statements

**Givex Corp.****Interim Consolidated Statements of Changes in Shareholders' Equity****Six months ended June 30, 2023 and 2022****(Expressed in thousands of Canadian dollars, except number of shares)**

	Number of common shares <sup>1</sup>	Share capital	Retained earnings	Contributed surplus	Total equity
<b>Balance as at December 31, 2021</b>	115,108,304	\$ 23,346	\$ 17,292	\$ 6,342	\$ 46,980
Net loss	-	-	(6,494)	-	(6,494)
Shares issued pursuant to business combinations (Note 4)	814,081	689	-	-	689
Shares issued pursuant to vesting of restricted share units	2,271,675	2,272	-	(2,272)	-
Share-based compensation to employees (Note 10)	-	-	-	5,674	5,674
<b>As at June 30, 2022</b>	118,194,060	\$ 26,307	\$ 10,798	\$ 9,744	\$ 46,849
<b>Balance as at December 31, 2022</b>	124,555,094	\$ 31,616	\$ 7,197	\$ 8,235	\$ 47,048
Net loss	-	-	(2,212)	-	(2,212)
Shares repurchased and cancelled (Note 9)	(92,563)	(230)	-	134	(96)
Share-based compensation to employees (Note 10)	-	-	-	1,886	1,886
<b>As at June 30, 2023</b>	124,462,531	\$ 31,386	\$ 4,985	\$ 10,255	\$ 46,626

The accompanying notes form an integral part of these interim condensed consolidated financial statements

<sup>1</sup> All periods presented reflect the 20:1 stock split effective on November 25, 2021.

**Givex Corp.**  
**Interim Condensed Consolidated Statements of Cash Flows**  
**(Unaudited)**  
**For the six months ended June 30, 2023 and 2022**  
**(Expressed in thousands of Canadian dollars)**

	<b>2023</b>	<b>2022</b>
<b>Operating activities</b>		
Net loss	\$ (2,212)	\$ (6,494)
Items not affecting cash and cash equivalents:		
Depreciation of property and equipment	465	490
Depreciation of right-of-use assets	1,154	1,114
Finance costs	459	284
Amortization of intangible assets	938	1,071
Gain on termination of lease contract	-	(60)
Share-based compensation	1,886	5,674
Unrealized gain on investment	(44)	-
Income tax expense (recovery)	(137)	3
Unrealized foreign exchange (gain) loss	95	(93)
	2,604	1,989
Net changes in non-cash working capital (Note 14)	571	(1,176)
Interest paid	(409)	(247)
Income taxes paid	(185)	(198)
<b>Cash flows provided by operating activities</b>	<b>2,581</b>	<b>368</b>
<b>Investing activities</b>		
Consideration paid on business acquisition, net of cash acquired	-	(7,832)
Shares repurchased and cancelled	(96)	-
Purchase of property and equipment	(238)	(1,379)
Purchase of investments	(2,549)	-
Proceeds from repayment of loans receivable	-	214
Advances on loans receivable	195	-
<b>Cash flows used in investing activities</b>	<b>(2,688)</b>	<b>(8,997)</b>
<b>Financing activities</b>		
Lease payments	(1,293)	(1,182)
Repayment of promissory notes payable	(631)	(185)
Repayment of contingent consideration payable	(126)	-
Proceeds from bank loans	1,570	3,000
Repayment of bank loans	(1,928)	(1,527)
<b>Cash flows provided by (used in) financing activities</b>	<b>(2,408)</b>	<b>106</b>
Foreign exchange loss (gain) on cash and cash equivalents	(11)	156
Net change in cash and cash equivalents	(2,526)	(8,367)
Cash and cash equivalents - beginning of year	24,431	36,817
<b>Cash and cash equivalents - end of period</b>	<b>\$ 21,905</b>	<b>\$ 28,450</b>

The accompanying notes form an integral part of these condensed interim consolidated financial statements

**1. Nature of business**

Givex Corp. (formerly Givex Information Technology Group Limited and County Capital 2 Ltd. – "County") (the "Corporation" or "Givex") was incorporated pursuant to the Business Corporations Act (British Columbia) on October 15, 2019.

On November 10, 2022 the Corporation 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 Corporation held on May 26, 2022. The continuance and name change better reflects the Corporation's history and allows the Corporation to be governed by the laws of the jurisdiction in which its head office is located.

The Corporation develops, sells, installs and supports five key technology solutions for merchants of all sizes, including single store locations and Fortune 500 companies with thousands of locations. A Givex client can use one or all of the Corporation's services as they are all designed and built to work together on one single platform. These solutions are Customer Engagement (including gift and loyalty), Enterprise Point-of-Sale (POS), Payments, Integrations, and Analytics.

These unaudited condensed interim consolidated financial statements comprise Givex and its controlled subsidiaries. The Corporation's head office is located at 134 Peter Street, Suite 1400, Toronto, Ontario M5V 2H2.

The Corporation's shares are listed on the Toronto Stock Exchange (the "TSX") under the stock symbol "GIVX".

**2. Basis of presentation**

These unaudited condensed interim consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") applicable to the preparation of interim financial statements, including International Accounting Standard (IAS) 34, *Interim Financial Reporting*, as issued by the International Accounting Standards Board (IASB). Certain information and disclosures have been omitted or condensed. The same accounting policies and methods of computation were followed in the preparation of these condensed interim consolidated financial statements as were followed in the preparation of the most recent annual audited consolidated financial statements. These unaudited condensed interim consolidated financial statements should be read together with the Corporation's annual audited consolidated financial statements and notes thereto for the fiscal year ended December 31, 2022. Certain comparative figures have been reclassified in order to conform to the current period presentation. In particular, \$78 was reclassified within "Direct costs of revenue", from "hardware and other" to "service and payments" for the 6 months ended June 30, 2022 and \$347 was reclassified from "service and payments direct cost of revenues" to "general and administrative" for the three and six months ended June 30, 2022 on the Interim Condensed Consolidated Statements of Loss and Comprehensive Loss. \$100 change in restricted cash was reclassified from "investing activities" to "operating activities" on the Interim Condensed Consolidated Statements of Cash Flows for the 6 months ended June 30, 2022..

These unaudited condensed interim consolidated financial statements were approved for issue by the Audit Committee of the Corporation on July 28, 2023.

**3. Significant accounting policies**

- (a) Use of estimates and judgments

The preparation of the unaudited condensed interim 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, liabilities and reported amounts of revenues and expenses during the period. These estimates and assumptions are based on historical experience, expectations of the future, and other relevant factors and are reviewed regularly. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future period affected. Actual results may differ from these estimates.

In preparing these unaudited condensed interim consolidated financial statements, the significant judgments made by management in applying the Corporation's accounting policies and the key sources of uncertainty are the same as those applied and described in the Corporation's annual audited consolidated financial statements for the year ended December 31, 2022.

**4. Business combinations**

- (a) 1157457 Ontario Inc. (operating as Kalex Equipment Services)

On January 25, 2022, the Corporation acquired all of the issued and outstanding shares of 1157457 Ontario Inc. (operating as Kalex Equipment Services "Kalex"), a company incorporated under the laws of Ontario for the consideration described below. 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 to the POS retail equipment stores. The consideration paid was allocated to the net identifiable assets acquired based on their acquisition date fair values. The acquisition was accounted for as a business combination and, accordingly, the results of operations from January 25, 2022 have been included in the condensed interim consolidated financial statements of the Corporation. The transaction is summarized as follows:

<b>Consideration paid</b>	
Cash and cash equivalents	\$ 1,000
Promissory note payable	957
625,000 common shares issued to existing shareholders of Kalex	500
	\$ 2,457
<b>Fair value of net identifiable assets acquired</b>	
Cash	217
Trade receivables	905
Prepaid expenses and deposits	17
Property and equipment	39
Right-of-use assets	220
Customer list	1,300
Trade and other payables	(393)
Lease liabilities	(254)
Deferred tax liability	(339)
	1,712
Goodwill	\$ 745

The fair value of acquired trade receivables approximated the contractual value.

The promissory note consists of a principal value of \$800 that is not tied to performance conditions and \$200 that is tied to certain agreed-upon targets in fiscal 2022. The Company recorded the promissory note issued at its fair value at the date of acquisition.

The goodwill related to the acquisition of Kalex is composed of the benefits of increasing the Corporation's strategic position by expanding its geographic market presence and gaining access to the assembled workforce that does not qualify for separate recognition. The goodwill is not deductible for tax purposes.

The customer lists of Kalex acquired are amortized on a straight-line basis over their estimated useful life of 7 years.

As at December 31, 2022, management has finalized the amount of fair value of assets acquired and liabilities assumed for the Kalex business combination.

**Givex Corp.**  
**Notes to the Condensed Interim Consolidated Financial Statements**  
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(b) Loyalty Lane, Inc.

On February 17, 2022, the Corporation acquired all of the issued and outstanding shares of Loyalty Lane, Inc., a company incorporated under the laws of Georgia carrying on the business of providing loyalty and rewards transaction processing for independent grocers in exchange for cash and share consideration. The consideration paid was allocated to the net identifiable assets acquired based on their acquisition date fair values. The acquisition was accounted for as a business combination and, accordingly, the results of operations from February 17, 2022 have been included in the condensed interim consolidated financial statements of the Corporation. The transaction is summarized as follows:

<b>Consideration paid</b>			
Cash and cash equivalents		\$	7,555
189,081 common shares issued to existing shareholders of Loyalty Lane, Inc.			189
			<u>7,744</u>
<b>Fair value of net identifiable assets acquired</b>			
Cash			388
Trade receivables			561
Prepaid expenses and deposits			67
Customer list			1,300
Software			1,933
Trade and other payables			(475)
Other liabilities			(724)
Deferred tax liability			(784)
			<u>2,266</u>
Goodwill		\$	<u>5,478</u>

The fair value of acquired trade receivables approximated the contractual value.

The goodwill related to the acquisition of Loyalty Lane, Inc. is composed of the benefits of increasing the Corporation's strategic position by expanding its geographic market presence, the line of business presence and gaining access to the assembled workforce that does not qualify for separate recognition. The goodwill is not deductible for tax purposes.

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.

The customer lists of Loyalty Lane and the software technology acquired are amortized on a straight-line basis over their estimated useful life of 8 years.

As at December 31, 2022, management has finalized the amount of fair value of assets acquired and liabilities assumed for the Loyalty Lane business combination.

(c) Counter Solutions Holdings Limited

On August 15, 2022, the Corporation acquired all of the issued and outstanding shares of Counter Solutions Holdings Limited ("CS"), a company incorporated under the laws of the United Kingdom for the consideration described below. CS create connected digital experiences for the retail & hospitality sectors, helping brands implement self-service technology solutions to improve their customer experience and drive productivity gains. The consideration paid was allocated to the net identifiable assets acquired based on their acquisition date fair values. The acquisition was accounted for as a business combination and, accordingly, the results of operations from August 15, 2022 have been included in the condensed interim consolidated financial statements of the Corporation. The transaction is summarized as follows:

<b>Consideration paid</b>			
Cash and cash equivalents		\$	5,066
Contingent consideration payable			838
			<u>5,904</u>
<b>Fair value of net identifiable assets acquired</b>			
Cash			3,064
Trade receivables			728
Prepaid expenses and deposits			51
Inventory			171
Property and equipment			111
Right-of-use assets			164
Customer list			1,400
Software			950
Trade and other payables			(2,064)
Deferred revenue			(621)
Lease liabilities			(165)
Tax liability			(156)
Deferred tax liability			(615)
			<u>3,018</u>
Goodwill		\$	<u>2,886</u>

The fair value of acquired trade receivables approximated the contractual value.

The goodwill related to the acquisition of CS is composed of the benefits of increasing the Corporation's strategic position by expanding its geographic market presence, the line of business presence and gaining access to the assembled workforce that does not qualify for separate recognition. The goodwill is not deductible for tax purposes.

The customer lists of CS and the software technology acquired are amortized on a straight-line basis over their estimated useful life of 7 years.

As at December 31, 2022, management has finalized the amount of fair value of assets acquired and liabilities assumed for the CS business combination.

Contingent consideration comprises of earn-out payments due to the seller for meeting certain net revenue conditions over the two years following the date of acquisition. The fair value of the contingent consideration was valued by the Corporation using a discounted cash flow model under the income approach and was \$838 as at the date of the business combination. The potential maximum undiscounted contingent consideration payable is \$1,600 over the two years following the acquisition. The fair value of the contingent consideration as at June 30, 2023 was \$931 (\$850 - December 31, 2022).

In connection with the CS business combination, the Corporation has issued 2,000,000 common shares to retain a key employee which are retractable based on CS meeting agreed targets and the continued employment of the key employee until fully vested. The value of this contingent consideration has been not been included in the consideration paid above as it was deemed a separate transaction from the business combination and will be accounted for as post-combination compensation expense.

**5. Short-term investments**

The short-term investments of \$2,593 consists of a US treasury bill held that has a maturity date in December 2023. Investments are carried at fair value through profit and loss.

**6. Goodwill**

The carrying amount of goodwill allocated to each of the cash-generating units (CGU) is as follows:

	ValuAccess Limited	Givex Canada Corp	Owen Business Systems Ltd.	Easy Information Solutions SA DE CV	PI Cash Système S.à.r.l	Kalex Equipment Services	Loyalty Lane, Inc.	Counter Solutions Holdings Limited	Total
<b>Cost</b>									
Balance as at January 1, 2022	\$ 177	\$ 381	\$ 584	\$ 762	\$ 572	\$ -	\$ -	\$ -	\$ 2,476
Acquisition of a subsidiary	-	-	-	-	-	745	5,478	2,886	9,109
As at December 31, 2022	177	381	584	762	572	745	5,478	2,886	11,585
Acquisition of a subsidiary	-	-	-	-	-	-	-	-	-
As at June 30, 2023	\$ 177	\$ 381	\$ 584	\$ 762	\$ 572	\$ 745	\$ 5,478	\$ 2,886	\$ 11,585

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**7. Intangible assets**

	Customer list	Software	Total
<b>Cost</b>			
Balance as at January 1, 2022	\$ 5,804	\$ 69	\$ 5,873
Acquired through business combinations	4,000	2,883	6,883
Disposals	(1,103)	(33)	(1,136)
As at December 31, 2022	8,701	2,919	11,620
Acquired through business combinations	-	-	-
As at June 30, 2023	\$ 8,701	\$ 2,919	\$ 11,620
<b>Accumulated amortization</b>			
Balance as at January 1, 2022	\$ 3,196	\$ 36	\$ 3,232
Additions	1,441	290	1,731
Disposals	(1,104)	(33)	(1,137)
As at December 31, 2022	3,533	293	3,826
Additions	744	194	938
As at June 30, 2023	\$ 4,277	\$ 487	\$ 4,764
<b>Net book value</b>			
As at December 31, 2022	\$ 5,168	\$ 2,626	\$ 7,794
As at June 30, 2023	\$ 4,424	\$ 2,432	\$ 6,856

**8. Bank loans**

A continuity schedule of the Corporation's bank loans is as follows:

	Bank loan #1 (a)	Bank loan #2 (b)	Bank loan #3	Bank loan #4 (c)	Total
Balance as at January 1, 2022	\$ 2,600	\$ 1,689	\$ 18	\$ 71	\$ 4,378
Additions	-	6,000	-	-	6,000
Repayment of principal	(1,818)	(2,035)	(9)	(43)	(3,905)
As at December 31, 2022	782	5,654	9	28	6,473
Additions	1,570	-	-	-	1,570
Repayment of principal	(1,136)	(766)	(4)	(22)	(1,928)
As at June 30, 2023	1,216	4,888	5	6	6,115
Less: current portion	(1,216)	(1,388)	(5)	(6)	(2,615)
	\$ -	\$ 3,500	\$ -	\$ -	\$ 3,500

(a) The Corporation has an operating line of credit with maximum borrowings of \$3,000. The facility is due on demand and bears interest at the bank's prime rate plus 0.5% per annum with interest payable monthly.

(b) The Corporation has a revolving term facility with maximum borrowings of \$10,000 with a Canadian chartered bank. The facility is only made available to fund acquisitions that meet the conditions required by the bank. This facility bears interest at the bank's prime rate plus 1.75% per annum, payable between 36 and 60 monthly instalments of principal and interest. Prepayment is permitted without penalty at any time in whole or part. The bank loans have maturity dates between December 2023 and August 2027.

(c) The Corporation has a term loan payable in blended monthly payments of \$4 including interest accrued at 2.80% per annum maturing September 10, 2023. Computer equipment with a carrying amount of approximately \$19 (December 31, 2022 - \$28) as at June 30, 2023 has been pledged as security.

Bank loan #1 and #2 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 shareholder 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 cannot exceed the advances under the operating line of credit of \$3,000. In addition, the Corporation 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 the six months ended June 30, 2023, the Corporation was in compliance with these covenants. Bank loan #3 and bank loan #4 do not have covenants.

In addition to the above loans, the Corporation has a non-revolving lease facility with maximum borrowings of \$305. The facility bears interest at the bank's prime rate plus 1.00% per annum. As at June 30, 2023, the balance outstanding for the lease facility was \$Nil (December 31, 2022 - \$Nil).

**9. Share capital**

The Corporation's authorized share capital consists of (i) an unlimited number of common shares, issuable in series and (ii) an unlimited number of preferred shares, issuable in a series. The Corporation has only issued common shares at June 30, 2023 and December 31, 2022.

The Corporation began a share repurchase program on November 9, 2022 permitting the Corporation to repurchase for cancellation up to 6,101,326 common shares. The normal course issuer bid will expire on November 8, 2023 however may expire earlier if the maximum number of allowable shares are repurchased. During six months ended June 30, 2023, the Corporation repurchased 230,847 shares. Of the 230,847, 25,329 were cancelled during the 6 months ended June 30, 2023, the remaining shares were cancelled in July 2023. An additional, 67,234 were cancelled during the 6 months ended June 30, 2023 which were repurchased during the year ended December 31, 2022. Purchases under the normal course issuer bids were made through open market purchases at market prices.

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**10. Share-based compensation**

The following reconciles the share-based compensation for the three and six months ended June 30, 2023 and 2022:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2023	2022	2023	2022
Restricted share unit plan	\$ 522	\$ 2,119	\$ 1,019	\$ 4,242
Employee stock options	214	566	545	1,432
Counter Solutions compensation	113	-	322	-
<b>Total share-based compensation</b>	<b>\$ 849</b>	<b>\$ 2,685</b>	<b>\$ 1,886</b>	<b>\$ 5,674</b>

The following is a summary of the total unrecognized share-based compensation as at June 30, 2023 and 2022:

	June 30,	
	2023	2022
Restricted share unit plan	749	5,355
Employee stock options	169	1,349
Counter Solutions compensation	379	-
<b>Total unrecognized share-based compensation</b>	<b>\$ 1,297</b>	<b>\$ 6,704</b>

The following summarizes the changes made to the Corporation's share-based compensation during the three and six months ended June 30, 2023 and 2022.

(a) Restricted share units (RSU)

The following reconciles the number of RSUs available for grant as at June 30, 2023.

	Number of RSUs	Weighted average exercise price
RSUs outstanding and exercisable, January 1, 2023	4,121,675	\$ 1.00
Forfeitures	(32,500)	1.00
<b>RSUs outstanding and exercisable, June 30, 2023</b>	<b>4,089,175</b>	<b>\$ 1.00</b>

The following reconciles the number of RSUs available for grant as at June 30, 2022.

	Number of RSUs	Weighted average exercise price
RSUs outstanding and exercisable, January 1, 2022	12,821,700	\$ 1.00
Issued	45,000	0.99
Forfeitures	(140,000)	1.00
Exercised	(2,271,675)	1.00
<b>RSUs outstanding and exercisable, June 30, 2022</b>	<b>10,455,025</b>	<b>\$ 1.00</b>

(b) Employee/director stock options

The following reconciles the number of options available for grant as at June 30, 2023.

	Number of options	Weighted average exercise price
Options outstanding and exercisable, January 1, 2023	6,810,000	\$ 1.00
Granted	700,000	0.50
<b>Options outstanding and exercisable, June 30, 2023</b>	<b>7,510,000</b>	<b>\$ 0.95</b>

The 700,000 options granted above vest in two equal tranches on January 9, 2023 and June 9, 2023 and expire on January 9, 2025.

The Corporation used the Black-Scholes Merton formula to estimate the grant date fair value of options granted during the six months ended June 30, 2023 based on the following inputs:

	2023
Weighted average fair value	\$ 0.48
Expected option life	2 years
Expected volatility	96.04%
Expected dividend	0.00%
Risk-free interest rate (based on government bonds)	3.50%

The following reconciles the number of options available for grant as at June 30, 2022.

	Number of options	Weighted average exercise price
Options outstanding and exercisable, January 1, 2022	6,840,000	\$ 1.00
Granted	50,000	1.00
Forfeitures	(80,000)	1.00
<b>Options outstanding and exercisable, June 30, 2022</b>	<b>6,810,000</b>	<b>\$ 1.00</b>

The Corporation used the Black-Scholes Merton formula to estimate the grant date fair value of options granted during the six months ended June 30, 2022 based on the following inputs:

	2022
Weighted average fair value	\$0.42-0.48
Expected option life	1.71 - 2.50 years
Expected volatility	80.57% - 86.15%
Expected dividend	0.00%
Risk-free interest rate (based on government bonds)	0.99% - 1.21%

**11. Income taxes**

As disclosed in prior financial statements, Givex Canada Corp. has been subject to an ongoing tax audit by the Canada Revenue Agency pertaining to transfer fees between Givex Corporation and Givex Canada Corp. 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 amount 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.

**12. Loss per share**

The following table summarizes the calculation of the weighted average number of basic and diluted common shares for the three months and six months ended June 30, 2023 and 2022.

	Three Months		Six Months	
	2023	2022	2023	2022
Issued common shares	124,462,531	118,194,060	124,462,531	118,194,060
Weighted average shares outstanding - basic	124,464,031	118,194,060	124,472,245	117,873,879
Weighted average shares outstanding - diluted	124,464,031	118,194,060	124,472,245	117,873,879
<b>Loss per share basic and diluted</b>	<b>\$ (0.01)</b>	<b>\$ (0.03)</b>	<b>\$ (0.02)</b>	<b>\$ (0.06)</b>

During the three months and six months ended June 30, 2023, there were 24,975,584 and 24,938,109 (2022 - 31,034,100 and 31,213,823) weighted average share options and warrants outstanding excluded from the computation of diluted loss per share as they were anti-dilutive.

**13. Employee compensation**

The total employee compensation comprising of salaries and benefits, excluding government assistance, for the three months and six months ended June 30, 2023 was \$7,541 and \$14,732 (2022 - \$6,795 and 12,876). The total stock compensation expense to employees for the three months and six months ended June 30, 2023 was \$849 and \$1,886 (2022 - \$2,685 and \$5,674).

**Givex Corp.**  
**Notes to the Condensed Interim Consolidated Financial Statements**  
**(Unaudited)**  
**For the three and six months ended June 30, 2023 and 2022**  
**(Expressed in thousands of Canadian dollars, except number of shares)**

**14. Net changes in non-cash working capital**

	June 30	
	2023	2022
Decrease in trade receivables	\$ 2,539	\$ 1,418
Decrease (increase) in inventory	86	(579)
Decrease (increase) in prepaid expenses and deposits	(115)	701
Decrease (increase) in restricted cash	2,794	(100)
Decrease in trade and other payables	(5,613)	(2,064)
Increase (decrease) in government remittances payable	41	(213)
Increase (decrease) in contract liabilities	839	(339)
	<u>\$ 571</u>	<u>\$ (1,176)</u>

**15. Related party transactions**

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

Remuneration to key management was as follows:

	Six months ended June 30	
	2023	2022
Salaries and benefits	\$813	\$741
Stock-based compensation	406	1,621

During the six months ended June 30, 2023, companies controlled by a member of the key management personnel of the Corporation charged license fees of \$60 (2022 - \$60) and consulting fees of \$60 (2022 - \$120) to the Corporation, which are included in general and administrative expenses.

As at June 30, 2023, loans receivable of \$65 (December 31, 2022 - \$260) are due from companies controlled by a member of the key management personnel of the Corporation. The loans are non-interest bearing, unsecured and have no fixed terms of repayment.