

Givex Corp.
Interim Condensed Consolidated Financial Statements
(Unaudited)
For the three and nine months ended September 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 September 30, 2023 and December 31, 2022
(Expressed in thousands of Canadian dollars)

	September 30, 2023	December 31, 2022 (audited)
Assets		
Current assets:		
Cash and cash equivalents	\$ 23,400	\$ 24,431
Restricted cash	5,371	8,054
Term deposits	212	494
Trade receivables	9,166	12,411
Inventory	3,527	4,105
Prepaid expenses and deposits	1,647	1,549
Total current assets	43,323	51,044
Non-current assets:		
Non-current prepaid expenses and deposits	846	811
Loans receivable (Note 14)	276	260
Property and equipment	2,860	2,529
Right-of-use assets	3,209	4,492
Goodwill (Note 5)	11,585	11,585
Intangible assets (Note 6)	6,387	7,794
Deferred income tax asset	3,343	3,538
Total non-current assets	28,506	31,009
Total assets	\$ 71,829	\$ 82,053
Liabilities		
Current liabilities:		
Current portion of bank loans (Note 7)	\$ 1,817	\$ 2,373
Trade and other payables	8,819	13,696
Government remittances payable	61	458
Income taxes payable	553	935
Current portion of contingent consideration payable	947	133
Current portion of promissory notes payable	407	737
Current portion of lease liabilities	2,083	2,446
Contract liabilities	5,245	5,226
Total current liabilities	19,932	26,004
Non-current liabilities:		
Bank loans (Note 7)	3,200	4,100
Forgivable loan	40	40
Contingent consideration payable	64	947
Promissory notes payable	-	391
Lease liabilities	1,517	2,594
Deferred income tax liability	810	929
Total non-current liabilities	5,631	9,001
Total liabilities	25,563	35,005
Shareholders' Equity		
Share capital (Note 8)	31,180	31,616
Contributed surplus	11,100	8,235
Retained earnings	3,986	7,197
Total shareholders' equity	46,266	47,048
Total liabilities and shareholders' equity	\$ 71,829	\$ 82,053

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 nine months ended September 30, 2023 and 2022****(Expressed in thousands of Canadian dollars)**

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2023	2022	2023	2022
Revenue from contracts with customers				
Services and payments revenue	18,266	17,265	\$ 53,040	\$ 48,515
Hardware and other revenue	1,375	1,142	5,192	3,069
Total revenue	19,641	18,407	58,232	51,584
Direct cost of revenues				
Services and payments revenue	4,989	4,608	14,183	13,452
Hardware and other revenue	1,080	785	3,162	2,033
Total direct cost of revenues	6,069	5,393	17,345	15,485
Gross profit	13,572	13,014	40,887	36,099
Expenses				
General and administrative (Note 12 and Note 14)	11,350	11,094	33,688	30,258
Sales and marketing	886	893	3,199	2,555
Foreign exchange (gain) loss	14	(275)	169	(158)
Depreciation of property and equipment	484	226	949	716
Depreciation of right-of-use assets	488	692	1,642	1,806
Share-based compensation (Note 9)	732	2,670	2,618	8,344
Amortization of intangible assets	469	630	1,407	1,701
	14,423	15,930	43,672	45,222
Loss before undernoted item and income taxes	(851)	(2,916)	(2,785)	(9,123)
Net finance costs	67	210	482	494
Loss before income taxes	(918)	(3,126)	(3,267)	(9,617)
Income tax expense (recovery) (Note 10)	81	273	(56)	276
Loss and comprehensive loss	\$ (999)	\$ (3,399)	\$ (3,211)	\$ (9,893)
Loss per share (Note 11)				
Basic and diluted	\$ (0.01)	\$ (0.03)	\$ (0.03)	\$ (0.08)

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

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

	Number of common shares ¹	Share capital	Retained earnings	Contributed surplus	Total equity
Balance as at December 31, 2021	115,108,304	\$ 23,346	\$ 17,292	\$ 6,342	\$ 46,980
Net loss	-	-	(9,893)	-	(9,893)
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 9)	-	-	-	8,344	8,344
As at September 30, 2022	118,194,060	\$ 26,307	\$ 7,399	\$ 12,414	\$ 46,120
Balance as at December 31, 2022	124,555,094	\$ 31,616	\$ 7,197	\$ 8,235	\$ 47,048
Net loss	-	-	(3,211)	-	(3,211)
Shares repurchased and cancelled (Note 8)	(420,180)	(436)	-	247	(189)
Share-based compensation to employees (Note 9)	-	-	-	2,618	2,618
As at September 30, 2023	124,134,914	\$ 31,180	\$ 3,986	\$ 11,100	\$ 46,266

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

¹ 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 nine months ended September 30, 2023 and 2022
(Expressed in thousands of Canadian dollars)

	2023	2022
Operating activities		
Net loss	\$ (3,211)	\$ (9,893)
Items not affecting cash and cash equivalents:		
Depreciation of property and equipment	949	716
Depreciation of right-of-use assets	1,642	1,806
Finance costs	482	494
Amortization of intangible assets	1,407	1,701
Gain on termination of lease contract	-	(104)
Share-based compensation	2,618	8,344
Income tax expense (recovery)	(56)	276
Unrealized foreign exchange (gain) loss	53	(413)
	3,884	2,927
Net changes in non-cash working capital (Note 13)	1,407	(142)
Interest paid	(571)	(444)
Income taxes paid	(138)	(198)
Cash flows provided by operating activities	4,582	2,143
Investing activities		
Consideration paid on business acquisition, net of cash acquired	-	(9,834)
Shares repurchased and cancelled	(189)	-
Purchase of property and equipment	(1,147)	(1,506)
Proceeds from repayment of loans receivable	-	341
Advances on loans receivable	(16)	-
Cash flows used in investing activities	(1,352)	(10,999)
Financing activities		
Lease payments	(1,909)	(1,883)
Repayment of promissory notes payable	(788)	(464)
Repayment of contingent consideration payable	(126)	-
Proceeds from bank loans	1,570	6,000
Repayment of bank loans	(3,026)	(3,330)
Cash flows provided by (used in) financing activities	(4,279)	323
Foreign exchange loss (gain) on cash and cash equivalents	18	(56)
Net change in cash and cash equivalents	(1,031)	(8,589)
Cash and cash equivalents - beginning of year	24,431	36,817
Cash and cash equivalents - end of period	\$ 23,400	\$ 28,228

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, \$49 and \$127 was reclassified within "Direct costs of revenue", from "hardware and other" to "service and payments" for the three and nine months ended September 30, 2022 respectively and \$287 and \$634 was reclassified from "service and payments direct cost of revenues" to "general and administrative" for the three and nine months ended September 30, 2022 respectively on the Interim Condensed Consolidated Statements of Loss and Comprehensive Loss. \$19 change in restricted cash was reclassified from "investing activities" to "operating activities" on the Interim Condensed Consolidated Statements of Cash Flows for the nine months ended September 30, 2022.

These unaudited condensed interim consolidated financial statements were approved for issue by the Audit Committee of the Corporation on October 31, 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:

Consideration paid

Cash and cash equivalents	\$	1,000
Promissory note payable		957
625,000 common shares issued to existing shareholders of Kalex		500
	\$	2,457

Fair value of net identifiable assets acquired

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
(Unaudited)
For the three and nine months ended September 30, 2023 and 2022
(Expressed in thousands of Canadian dollars, except number of shares)

(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:

Consideration paid			
Cash and cash equivalents		\$	7,555
189,081 common shares issued to existing shareholders of Loyalty Lane, Inc.			189
			<u>7,744</u>
Fair value of net identifiable assets acquired			
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:

Consideration paid			
Cash and cash equivalents		\$	5,066
Contingent consideration payable			838
			<u>5,904</u>
Fair value of net identifiable assets acquired			
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 September 30, 2023 was \$914 (\$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. 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
Cost									
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 September 30, 2023	\$ 177	\$ 381	\$ 584	\$ 762	\$ 572	\$ 745	\$ 5,478	\$ 2,886	\$ 11,585

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

6. Intangible assets

	Customer list	Software	Total
Cost			
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 September 30, 2023	\$ 8,701	\$ 2,919	\$ 11,620
Accumulated amortization			
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	1,117	290	1,407
As at September 30, 2023	\$ 4,650	\$ 583	\$ 5,233
Net book value			
As at December 31, 2022	\$ 5,168	\$ 2,626	\$ 7,794
As at September 30, 2023	\$ 4,051	\$ 2,336	\$ 6,387

7. 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	(1,840)	(1,152)	(6)	(28)	(3,026)
As at September 30, 2023	512	4,502	3	-	5,017
Less: current portion	(512)	(1,302)	(3)	-	(1,817)
	\$ -	\$ 3,200	\$ -	\$ -	\$ 3,200

(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 which matured September 10, 2023. Computer equipment with a carrying amount of approximately \$Nil (December 31, 2022 - \$28) as at September 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 nine months ended September 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 September 30, 2023, the balance outstanding for the lease facility was \$Nil (December 31, 2022 - \$Nil).

8. 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 September 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 the nine months ended September 30, 2023, the Corporation repurchased 435,864 shares. Of the 435,864, 352,946 were cancelled during the nine months ended September 30, 2023, the remaining shares were cancelled in October 2023. An additional 67,234 were cancelled during the nine months ended September 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.

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

9. Share-based compensation

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

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2023	2022	2023	2022
Restricted share unit plan	\$ 514	\$ 2,144	\$ 1,533	\$ 6,386
Employee stock options	105	424	650	1,856
Counter Solutions compensation	113	102	435	102
Total share-based compensation	\$ 732	\$ 2,670	\$ 2,618	\$ 8,344

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

	September 30,	
	2023	2022
Restricted share unit plan	\$ 235	\$ 3,224
Employee stock options	64	925
Counter Solutions compensation	266	1,058
Total unrecognized share-based compensation	\$ 565	\$ 5,207

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

(a) Restricted share units (RSU)

The following reconciles the number of RSUs available for grant as at September 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
RSUs outstanding and exercisable, September 30, 2023	4,089,175	\$ 1.00

The following reconciles the number of RSUs available for grant as at September 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
RSUs outstanding and exercisable, September 30, 2022	10,455,025	\$ 1.00

(b) Employee/director stock options

The following reconciles the number of options available for grant as at September 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
Options outstanding and exercisable, September 30, 2023	7,510,000	\$ 0.95

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 nine months ended September 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 September 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
Options outstanding and exercisable, September 30, 2022	6,810,000	\$ 1.00

The Corporation used the Black-Scholes Merton formula to estimate the grant date fair value of options granted during the nine months ended September 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%

10. 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.

11. 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 nine months ended September 30, 2023 and 2022.

	Three Months		Nine Months	
	2023	2022	2023	2022
Issued common shares	124,134,914	118,194,060	124,134,914	118,194,060
Weighted average shares outstanding - basic	124,218,122	118,194,060	124,376,119	117,980,606
Weighted average shares outstanding - diluted	124,218,122	118,194,060	124,376,119	117,980,606
Loss per share basic and diluted	\$ (0.01)	\$ (0.03)	\$ (0.03)	\$ (0.08)

During the three months and nine months ended September 30, 2023, there were 24,975,584 and 24,950,601 (2022 - 30,994,100 and 31,140,582) weighted average share options and warrants outstanding excluded from the computation of diluted loss per share as they were anti-dilutive.

12. Employee compensation

The total employee compensation comprising of salaries and benefits, excluding government assistance, for the three months and nine months ended September 30, 2023 was \$7,410 and \$22,142 (2022 - \$7,113 and 19,989). The total stock compensation expense to employees for the three months and nine months ended September 30, 2023 was \$732 and \$2,618 (2022 - \$2,670 and \$8,344).

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

13. Net changes in non-cash working capital

	September 30	
	2023	2022
Decrease in trade receivables	\$ 3,257	\$ 1,372
Decrease (increase) in inventory	561	(1,095)
Decrease (increase) in prepaid expenses and deposits	(134)	992
Decrease in restricted cash	2,683	19
Decrease in term deposit	282	-
Decrease in trade and other payables	(4,871)	(1,179)
Decrease in government remittances payable	(390)	(419)
Increase in contract liabilities	19	168
	\$ 1,407	\$ (142)

14. 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:

	Nine months ended September 30	
	2023	2022
Salaries and benefits	\$1,217	\$1,126
Stock-based compensation	560	2,350

During the nine months ended September 30, 2023, companies controlled by a member of the key management personnel of the Corporation charged license fees of \$90 (2022 - \$90) and consulting fees of \$90 (2022 - \$180) to the Corporation, which are included in general and administrative expenses.

As at September 30, 2023, loans receivable of \$276 (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.