

Givex Corp.
Interim Condensed Consolidated Financial Statements
(Unaudited)
For the three and six months ended June 30, 2024 and 2023
(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, 2024 and December 31, 2023
(Expressed in thousands of Canadian dollars)

	June 30, 2024	December 31, 2023 (audited)
Assets		
Current assets:		
Cash and cash equivalents	\$ 24,227	\$ 22,217
Restricted cash	4,819	9,233
Term deposits	228	221
Trade receivables	11,543	11,903
Inventory	2,777	3,461
Prepaid expenses and deposits	1,849	2,064
Total current assets	45,443	49,099
Non-current assets:		
Non-current prepaid expenses and deposits	891	862
Loans receivable (Note 13)	87	341
Property and equipment	2,764	2,496
Right-of-use assets	4,197	3,915
Goodwill (Note 4)	11,585	11,585
Intangible assets (Note 5)	5,131	5,967
Deferred income tax asset	1,803	1,841
Total non-current assets	26,458	27,007
Total assets	\$ 71,901	\$ 76,106
Liabilities		
Current liabilities:		
Current portion of bank loans (Note 6)	\$ 2,012	\$ 1,418
Trade and other payables	9,181	13,449
Government remittances payable	528	721
Income taxes payable	721	736
Current portion of contingent consideration payable	-	32
Current portion of promissory notes payable	430	415
Current portion of lease liabilities	2,376	2,038
Contract liabilities	5,428	5,753
Total current liabilities	20,676	24,562
Non-current liabilities:		
Bank loans (Note 6)	2,300	2,900
Contingent consideration payable	-	65
Lease liabilities	2,183	2,211
Deferred income tax liability	1,204	1,372
Total non-current liabilities	5,687	6,548
Total liabilities	26,363	31,110
Shareholders' Equity		
Share capital (Note 7)	34,521	34,724
Contributed surplus	6,567	6,489
Retained earnings	4,450	3,783
Total shareholders' equity	45,538	44,996
Total liabilities and shareholders' equity	\$ 71,901	\$ 76,106

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

Givex Corp.

**Interim Condensed Consolidated Statements of Income (Loss) and Comprehensive Income (Loss)
(Unaudited)
For the three and six months ended June 30, 2024 and 2023
(Expressed in thousands of Canadian dollars)**

	Three Months Ended June 30,		Six Months Ended June 30,	
	2024	2023	2024	2023
Revenue from contracts with customers				
Services and payments revenue	19,481	17,041	\$ 37,317	\$ 34,774
Hardware and other revenue	1,384	2,392	4,352	3,817
Total revenue	20,865	19,433	41,669	38,591
Direct cost of revenues				
Services and payments revenue	4,834	4,091	9,454	9,194
Hardware and other revenue	857	1,248	2,993	2,082
Total direct cost of revenues	5,691	5,339	12,447	11,276
Gross profit	15,174	14,094	29,222	27,315
Expenses				
General and administrative (Note 11 and Note 13)	11,690	11,138	23,289	22,338
Sales and marketing	1,520	1,262	2,636	2,313
Foreign exchange loss (gain)	93	271	(282)	155
Depreciation of property and equipment	318	172	561	465
Depreciation of right-of-use assets	722	563	1,252	1,154
Share-based compensation (Note 8)	12	849	25	1,886
Amortization of intangible assets (Note 5)	416	469	836	938
	14,771	14,724	28,317	29,249
Income (loss) before undernoted item and income taxes	403	(630)	905	(1,934)
Net finance costs	39	183	105	415
Income (loss) before income taxes	364	(813)	800	(2,349)
Income tax provision (recovery) (Note 9)	189	165	133	(137)
Net income (loss) and comprehensive income (loss)	\$ 175	\$ (978)	\$ 667	\$ (2,212)
Earnings (loss) per share (Note 10)				
Basic and diluted	\$ 0.00	\$ (0.01)	\$ 0.01	\$ (0.02)

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Givex Corp.**Interim Consolidated Statements of Changes in Shareholders' Equity**

Six months ended June 30, 2024 and 2023

(Expressed in thousands of Canadian dollars, except number of shares)

	Number of common shares	Share capital	Retained earnings	Contributed surplus	Total equity
Balance as at December 31, 2022	124,555,094	\$ 31,616	\$ 7,197	\$ 8,235	\$ 47,048
Net loss	-	-	(2,212)	-	(2,212)
Shares repurchased and cancelled (Note 7)	(92,563)	(230)	-	134	(96)
Share-based compensation to employees (Note 8)	-	-	-	1,886	1,886
As at June 30, 2023	124,462,531	\$ 31,386	\$ 4,985	\$ 10,255	\$ 46,626
Balance as at December 31, 2023	128,059,569	\$ 34,724	\$ 3,783	\$ 6,489	\$ 44,996
Net income	-	-	667	-	667
Shares repurchased and cancelled (Note 7)	(213,500)	(203)	-	53	(150)
Share-based compensation to employees (Note 8)	-	-	-	25	25
As at June 30, 2024	127,846,069	\$ 34,521	\$ 4,450	\$ 6,567	\$ 45,538

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Givex Corp.
Interim Condensed Consolidated Statements of Cash Flows
(Unaudited)
For the six months ended June 30, 2024 and 2023
(Expressed in thousands of Canadian dollars)

	2024	2023
Operating activities		
Net income (loss)	\$ 667	\$ (2,212)
Items not affecting cash and cash equivalents:		
Depreciation of property and equipment	561	465
Depreciation of right-of-use assets	1,252	1,154
Finance costs	105	459
Amortization of intangible assets	836	938
Share-based compensation	25	1,886
Gain on contingent consideration adjustment	(23)	-
Unrealized gain on investment	-	(44)
Income tax recovery	133	(137)
Unrealized foreign exchange loss	169	95
	3,725	2,604
Net changes in non-cash working capital (Note 12)	697	571
Interest paid	(88)	(409)
Income taxes paid	(288)	(185)
Cash flows provided by operating activities	4,046	2,581
Investing activities		
Shares repurchased and cancelled	(150)	(96)
Purchase of property and equipment	(841)	(238)
Purchase of investments	-	(2,549)
Proceeds from repayment of loans receivable	254	-
Advances on loans receivable	-	195
Cash flows used in investing activities	(737)	(2,688)
Financing activities		
Lease payments	(1,196)	(1,293)
Repayment of promissory notes payable	-	(631)
Repayment of contingent consideration payable	(39)	(126)
Proceeds from bank loans	610	1,570
Repayment of bank loans	(616)	(1,928)
Cash flows used in financing activities	(1,241)	(2,408)
Foreign exchange loss (gain) on cash and cash equivalents	(58)	(11)
Net change in cash and cash equivalents	2,010	(2,526)
Cash and cash equivalents - beginning of year	22,217	24,431
Cash and cash equivalents - end of period	\$ 24,227	\$ 21,905

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Givex Corp.
Notes to the Condensed Interim Consolidated Financial Statements
(Unaudited)
For the three and six months ended June 30, 2024 and 2023
(Expressed in thousands of Canadian dollars, except number of shares)

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, 2023.

These unaudited condensed interim consolidated financial statements were approved for issue by the Audit Committee of the Corporation on July 29, 2024.

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, 2023.

4. 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.	Givex Mexico	Givex Switzerland S.à.r.l	Kalex Equipment Services	Loyalty Lane, Inc.	Counter Solutions Holdings Limited	Total
Cost									
Balance as at January 1, 2023	\$ 177	\$ 381	\$ 584	\$ 762	\$ 572	\$ 745	\$ 5,478	\$ 2,886	\$ 11,585
Acquisition of a subsidiary	-	-	-	-	-	-	-	-	-
As at December 31, 2023	177	381	584	762	572	745	5,478	2,886	11,585
Acquisition of a subsidiary	-	-	-	-	-	-	-	-	-
As at June 30, 2024	\$ 177	\$ 381	\$ 584	\$ 762	\$ 572	\$ 745	\$ 5,478	\$ 2,886	\$ 11,585

5. Intangible assets

	Customer list	Software	Total
Cost			
Balance as at January 1, 2023	\$ 8,701	\$ 2,919	\$ 11,620
Acquired through business combinations	-	-	-
As at December 31, 2023	8,701	2,919	11,620
Acquired through business combinations	-	-	-
As at June 30, 2024	\$ 8,701	\$ 2,919	\$ 11,620
Accumulated amortization			
Balance as at January 1, 2023	\$ 3,533	\$ 293	\$ 3,826
Additions	1,440	387	1,827
As at December 31, 2023	4,973	680	5,653
Additions	644	192	836
As at June 30, 2024	\$ 5,617	\$ 872	\$ 6,489
Net book value			
As at December 31, 2023	\$ 3,728	\$ 2,239	\$ 5,967
As at June 30, 2024	\$ 3,084	\$ 2,047	\$ 5,131

Givex Corp.
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(Unaudited)
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6. 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, 2023	\$ 782	\$ 5,654	\$ 9	\$ 28	\$ 6,473
Additions	-	-	-	-	-
Repayment of principal	(580)	(1,539)	(8)	(28)	(2,155)
As at December 31, 2023	202	4,115	1	-	4,318
Additions	610	-	-	-	610
Repayment of principal	-	(615)	(1)	-	(616)
As at June 30, 2024	812	3,500	-	-	4,312
Less: current portion	(812)	(1,200)	-	-	(2,012)
	\$ -	\$ 2,300	\$ -	\$ -	\$ 2,300

- (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 in 60 equal 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 February 2027 and August 2027.
- (c) The Corporation had a term loan payable in blended monthly payments of \$4 including interest accrued at 2.80% per annum which was fully repaid in 2023.

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, 2024, 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, 2024, the balance outstanding for the lease facility was \$Nil (December 31, 2023 - \$Nil).

7. 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, 2024 and December 31, 2023.

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 expired on November 8, 2023. The Corporation began another share repurchase program on December 14, 2023 permitting the Corporation to repurchase for cancellation up to 6,390,694 common shares. The normal course issuer bid will expire on December 13, 2024 however may expire earlier if the maximum number of allowable shares are repurchased. Purchases under the normal course issuer bids were made through open market purchases at market prices. During the six months ended June 30, 2024, the Corporation repurchased 204,000 shares (2023 - 230,847). Of the 204,000 shares, 194,500 were cancelled during the six months ended June 30, 2024, the remaining shares will be cancelled in August 2024. An additional 19,000 shares (2023 - 67,234) were cancelled during the six months ended June 30, 2024 which were repurchased during the year ended December 31, 2023.

8. Share-based compensation

The following reconciles the share-based compensation for the three and six months ended June 30, 2024 and 2023:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2024	2023	2024	2023
Restricted share unit plan	\$ 7	\$ 522	\$ 14	\$ 1,019
Employee stock options	5	214	11	545
Counter Solutions compensation (i)	-	113	-	322
Total share-based compensation	\$ 12	\$ 849	\$ 25	\$ 1,886

The following is a summary of the total unrecognized share-based compensation as at June 30, 2024 and 2023:

	2024	2023
Restricted share unit plan	\$ 21	\$ 749
Employee stock options	16	169
Counter Solutions compensation (i)	-	379
Total unrecognized share-based compensation	\$ 37	\$ 1,297

- (i) In connection with the Counter Solutions Holdings Limited (CS) business combination completed in 2022, the Corporation had issued 2,000,000 common shares to retain a key employee which were retractable based on CS meeting agreed targets and the continued employment of the key employee until fully vested. The estimated fair value of the shares upon acquisition was \$1,160 which was to vest in 3 equal tranches as agreed targets were met. During the year-ended December 31, 2023, the agreed targets were not met therefore the shares were retracted and cancelled.

9. Income taxes

As disclosed in the annual audited consolidated 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. Since June 2022, Givex Canada Corp has received notices of reassessment from the Canada Revenue Agency for \$1.1 million plus interest as the result of this audit. The Corporation has paid \$0.7 million of the assessment amount plus interest 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. If the tax authority is successful with their challenges, the Corporation's income tax expense may be adversely affected.

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(Unaudited)
For the three and six months ended June 30, 2024 and 2023
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10. Earnings (loss) per share

The following table summarizes the calculation of the weighted average number of basic and diluted common shares for the three and six months ended June 30, 2024 and 2023.

	Three Months Ended June 30,		Six Months Ended June 30,	
	2024	2023	2024	2023
Issued common shares	127,846,069	124,462,531	127,846,069	124,462,531
Weighted average shares outstanding - basic	127,981,213	124,464,031	128,000,588	124,472,245
Weighted average shares outstanding - diluted	128,994,013	124,464,031	129,013,388	124,472,245
Earnings (loss) per share - basic	\$ 0.00	\$ (0.01)	\$ 0.01	\$ (0.02)
Earnings (loss) per share - diluted	\$ 0.00	\$ (0.01)	\$ 0.01	\$ (0.02)

During the three and six months ended June 30, 2024, there were 19,478,276 and 19,478,276 (2023 - 24,975,584 and 24,938,109) weighted average share options and warrants outstanding excluded from the computation of diluted earnings (loss) per share as they were anti-dilutive.

11. Employee compensation

The total employee compensation comprising of salaries and benefits, excluding government assistance, for the three and six months ended June 30, 2024 was \$7,871 and \$15,712 (2023 - \$7,541 and 14,732). The total stock compensation expense to employees for the three and six months ended June 30, 2024 was \$12 and \$25 (2023 - \$849 and \$1,886).

12. Net changes in non-cash working capital

	Six months ended June 30	
	2024	2023
Decrease in trade receivables	\$ 507	\$ 2,539
Decrease in inventory	696	86
Decrease (increase) in prepaid expenses and deposits	207	(115)
Decrease in restricted cash	4,414	2,794
Decrease in trade and other payables	(4,542)	(5,613)
Increase (decrease) in government remittances payable	(209)	41
Increase (decrease) in contract liabilities	(376)	839
	\$ 697	\$ 571

13. 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	
	2024	2023
Salaries and benefits	\$814	\$813
Stock-based compensation	-	416

During the six months ended June 30, 2024, companies controlled by a member of the key management personnel of the Corporation charged license fees of \$60 (2023 - \$60) and consulting fees of \$60 (2023 - \$60) to the Corporation, which are included in general and administrative expenses.

As at June 30, 2024, loans receivable of \$87 (December 31, 2023 - \$341) 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.