**Wishpond Technologies Ltd.**
**Audited Annual Consolidated Financial Statements**

**Year Ended December 31, 2021**

Expressed in Canadian Dollars

Tel: (604) 688-5421
Fax: (604) 688-5132
www.bdo.ca

BDO Canada LLP
Unit 1100 - Royal Centre
1055 West Georgia Street
Vancouver, BC
V6C 3P3

# Independent Auditor's Report

To the Shareholders of Wishpond Technologies Ltd.

## Opinion

We have audited the consolidated financial statements of Wishpond Technologies Ltd. and its subsidiaries (the "Group"), which comprise the consolidated statements of financial position as at December 31, 2021 and 2020, and the consolidated statements of loss and comprehensive loss, changes in shareholders equity (deficiency), and cash flows for the years ended December 31, 2021 and 2020, and notes to the consolidated financial statements, including a summary of significant accounting policies (the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the consolidated financial position of the Group as at December 31, 2021 and 2020, and its consolidated financial performance and its consolidated cash flows for the years ended December 31, 2021 and 2020 in accordance with International Financial Reporting Standards ("IFRS").

## Basis for Opinion

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

## Other Information

Management is responsible for the other information. The other information comprises the information included in Management's Discussion & Analysis (the "MD&A").

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

We obtained the MD&A prior to the date of this auditor's report. If, based on the work we have performed on this other information, we conclude that there is a material misstatement of this other information, we are required to report that fact in this auditor's report. We have nothing to report in this regard.

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

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

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

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

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

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

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

The engagement partner on the audit resulting in this independent auditor's report is Rob Scupham.

BDO Canada LLP

Chartered Professional Accountants

Vancouver, British Columbia
April 26, 2022

**Wishpond Technologies Ltd.**
**Consolidated Statements of Loss and Comprehensive Loss**
(Expressed in Canadian Dollars except share amounts or stated otherwise)

| | For the years ended December 31, 2021 | December 31, 2020 |
|---|---|---|
| | $ | $ |
| Revenue (Note 18) | 14,761,275 | 7,882,018 |
| Cost of sales | 4,780,876 | 2,652,919 |
| **Gross profit** | **9,980,399** | **5,229,099** |
| **Operating expenses** | | |
| Depreciation and amortization | 878,976 | 395,898 |
| Office and general | 1,030,486 | 407,721 |
| Professional fees | 670,285 | 74,788 |
| Property tax | 77,951 | 90,876 |
| Salaries, wages, employee benefits (Note 13) | 3,039,188 | 1,800,542 |
| Sales and marketing | 2,181,702 | 1,217,162 |
| Software subscriptions | 914,162 | 411,321 |
| Stock-based compensation (Note 12 & 13) | 2,322,735 | 100,649 |
| Subcontractor expenses | 2,010,236 | 731,787 |
| Total operating expenses | **13,125,721** | **5,230,744** |
| **Operating loss** | **(3,145,322)** | **(1,645)** |
| **Other expenses (income)** | | |
| Acquisition related expenses | 177,537 | 72,594 |
| Credit facility initial setup fees (Note 14) | 160,160 | - |
| Earn-out remuneration (Note 5) | 141,728 | - |
| Filing fees | 93,609 | 3,185 |
| Foreign currency losses (gains) | 36,116 | (27,507) |
| Interest expense | 9,035 | 26,781 |
| Other expenses | 170,974 | 24,710 |
| Remeasurement of contingent consideration liability (Note 5) | 859,672 | - |
| Reverse takeover listing expense (Note 4) | - | 2,114,085 |
| **Loss before income taxes** | **(4,794,153)** | **(2,215,493)** |
| Income tax expense | 93,724 | - |
| **Net loss and comprehensive loss for the period** | **(4,887,877)** | **(2,215,493)** |
| Weighted average number of common shares outstanding | | |
| Basic and diluted | 51,183,732 | 28,986,817 |
| **Loss per share – Basic and diluted** | **$(0.10)** | **$(0.08)** |

**Wishpond Technologies Ltd.**
**Consolidated Statements of Financial Position**
(Expressed in Canadian Dollars except share amounts or stated otherwise)

| | As at December 31, 2021 $ | As at December 31, 2020 $ |
|---|---|---|
| **Assets** | | |
| **Current** | | |
| Cash | 6,242,453 | 7,305,546 |
| Short-term investments | 170,000 | - |
| Accounts and other receivables (Note 7) | 169,662 | 30,621 |
| Prepaid expenses | 358,870 | 287,783 |
| Investment tax credit recoverable | 209,372 | 234,840 |
| **Total current assets** | **7,150,357** | **7,858,790** |
| Property and equipment (Note 9) | 29,993 | 272,458 |
| Intangible assets (Note 10) | 6,768,543 | 893,869 |
| Goodwill (Note 10) | 2,797,004 | - |
| Other assets | 47,589 | 64,462 |
| **Total assets** | **16,793,486** | **9,089,579** |
| | | |
| **Liabilities and shareholders' equity** | | |
| | | |
| **Liabilities** | | |
| | | |
| **Current** | | |
| Accounts payable and accrued liabilities (Note 8) | 1,232,444 | 845,779 |
| Deferred revenue | 2,841,894 | 3,840,699 |
| Contingent consideration liability (Note 5) | 2,529,186 | - |
| Current portion of lease liability (Note 17) | - | 344,293 |
| **Total current liabilities** | **6,603,524** | **5,030,771** |
| Income taxes payable | 133,746 | - |
| Deferred tax liability (Note 11) | 384,205 | - |
| **Total liabilities** | **7,121,475** | **5,030,771** |
| | | |
| **Shareholders' equity** | | |
| Share capital (Note 12) | 19,250,845 | 11,062,775 |
| Deficit | (12,445,344) | (7,404,719) |
| Contributed surplus | 2,866,510 | 400,752 |
| **Total shareholders' equity** | **9,672,011** | **4,058,808** |
| **Total shareholders' equity and liabilities** | **16,793,486** | **9,089,579** |

Nature of operations and going concern (Note 1)
Events after the reporting period (Note 20)

Approved by the Directors:

"*Ali Tajskandar*" Director

"*Olivier Vincent*" Director

The accompanying notes are an integral part of these annual consolidated financial statements

**Wishpond Technologies Ltd.**
**Consolidated Statements of Changes in Shareholders' Equity (Deficiency)**
(Expressed in Canadian Dollars except share amounts or stated otherwise)

| | Number of shares | Share capital | Deficit | Contributed surplus | Total Shareholders' equity (deficiency) |
|---|---|---|---|---|---|
| | # | $ | $ | $ | $ |
| **Balance at January 1, 2020** | **26,081,710** | **2,600** | **(5,189,226)** | **370,109** | **(4,816,517)** |
| Stock-based compensation | - | - | - | 100,649 | 100,649 |
| Settlement of shareholder debt | 6,005,301 | 4,503,975 | - | (21,952) | 4,482,023 |
| Wishpond Private Debenture conversion | 285,715 | 150,000 | - | - | 150,000 |
| Common shares issued in brokered private placement | 6,133,000 | 4,599,750 | - | - | 4,599,750 |
| Financing fees | - | (490,256) | - | - | (490,256) |
| Agent broker warrants issued | - | (138,076) | - | 138,076 | - |
| Broker warrants exercised | 36,155 | 16,633 | - | - | 16,633 |
| Common shares issued by Antera | 2,666,667 | 2,000,000 | - | - | 2,000,000 |
| Antera stock options exchanged for Resulting Issuer shares | - | - | - | 94,368 | 94,368 |
| Stock options repurchased | - | - | - | (17,890) | (17,890) |
| Common shares issued from exercise of options | 4,960,602 | 418,149 | - | (262,608) | 155,541 |
| Net loss and comprehensive loss for the year | - | - | (2,215,493) | - | (2,215,493) |
| **Balance at December 31, 2020** | **46,169,150** | **11,062,775** | **(7,404,719)** | **400,752** | **4,058,808** |
| Stock-based compensation | - | - | - | 2,322,735 | 2,322,735 |
| Common shares issued for bought deal financing, net of issuance costs | 4,600,000 | 7,181,862 | - | - | 7,181,862 |
| Warrants issued for bought deal financing | - | (268,526) | - | 268,526 | - |
| Common shares issued for acquisition of PersistIQ | 663,388 | 1,001,821 | - | - | 1,001,821 |
| Common shares issued from exercise of warrants | 327,591 | 340,098 | - | (95,154) | 244,944 |
| Common shares issued from exercise of options | 254,962 | 98,669 | - | (30,349) | 68,320 |
| Common shares purchased and cancelled (Note 12) | (248,800) | (165,854) | (152,748) | - | (318,602) |
| Net loss and comprehensive loss for the year | - | - | (4,887,877) | - | (4,887,877) |
| **Balance at December 31, 2021** | **51,766,291** | **19,250,845** | **(12,445,344)** | **2,866,510** | **9,672,011** |

**Wishpond Technologies Ltd.**
**Consolidated Statements of Cash Flows**
(Expressed in Canadian Dollars except share amounts or stated otherwise)

| | For the years ended December 31, 2021 | December 31, 2020 |
|---|---|---|
| | $ | $ |
| **Cash flows provided by (used in)** | | |
| **Operating activities** | | |
| Cash receipts from customers | 13,360,072 | 10,436,016 |
| Cash paid to vendors and employees | (14,822,650) | (7,559,209) |
| Cash paid for bank service fees | (30,937) | (21,451) |
| Proceeds from investment tax credits | - | 329,363 |
| Realised foreign currency gains and (losses) | (44,631) | 30,305 |
| **Net cash provided by (used in) operating activities** | **(1,538,146)** | **3,215,024** |
| **Investing activities** | | |
| Acquisition transactions, net of cash acquired (Note 5) | (4,705,903) | - |
| Cash paid for earn-out consideration | (490,581) | - |
| Purchases of short-term investments | (170,000) | - |
| Additions to equipment | (20,165) | (15,799) |
| Additions to intangible assets | (881,591) | (270,323) |
| **Net cash used in investing activities** | **(6,268,240)** | **(286,122)** |
| **Financing activities** | | |
| Exercise of stock options | 68,320 | 154,284 |
| Exercise of warrants | 244,944 | - |
| Cash received in reverse takeover, net of cash paid for reverse takeover | - | 72,330 |
| Proceeds from the Offering, net of share issuance costs (Note 12) | 7,181,862 | - |
| Proceeds from the Financing, net of share issuance costs (Note 4) | - | 4,109,494 |
| Repayment of shareholder loans | - | (17,975) |
| Repayment of debt | - | (106,550) |
| Proceeds from debt financing | - | 150,000 |
| Cash paid for common shares purchased and cancelled (Note 12) | (318,602) | - |
| Cash paid for setup of credit facility | (71,230) | - |
| Cash paid for interest | (8,675) | (26,445) |
| Cash paid for lease | (353,326) | (228,030) |
| **Net cash provided by financing activities** | **6,743,293** | **4,107,108** |
| **Net increase (decrease) in cash** | (1,063,093) | 7,036,010 |
| **Cash - beginning of the year** | 7,305,546 | 269,536 |
| **Cash - end of the year** | **6,242,453** | **7,305,546** |

The accompanying notes are an integral part of these annual consolidated financial statements

## 1. Nature of operations and going concern

Wishpond Technologies Ltd. (formerly Antera Ventures I Corp.), (the "Company"), was incorporated under the British Columbia Business Corporations Act on June 20, 2018. The corporate head office of the Company is located at Suite 1000 - 1500 West Georgia St., Vancouver, BC, V6G 2Z6.

On December 8, 2020, the Company completed its reverse takeover transaction with Wishpond Technologies Ltd. ("Wishpond Private") based on which the Company acquired all of the issued and outstanding securities of Wishpond, via a reverse-takeover transaction (the "Transaction"). Upon completion of the Transaction, Wishpond became a wholly owned subsidiary of the Company and the Resulting Issuer and the Company carried on the business previously carried on by Wishpond Private. In connection with the Transaction, the Company consolidated its common shares (the "Shares") on the basis of one (1) post-consolidation Share for every 4.646720625 pre-consolidation Shares and all shares of Wishpond Private were consolidated on the basis of 3.2439938 post-consolidation Shares for each one (1) pre-consolidation Share. The Company changed its name to "Wishpond Technologies Ltd." ("Wishpond") and the Shares commenced trading on the Exchange at opening on December 11, 2020 under the symbol "WISH" as a Tier 1 technology issuer.

The Company was classified as a Capital Pool Corporation as defined in the Policy 2.4 of the TSX Venture Exchange (the "Exchange"). With the acquisition of Wishpond Private, the Company's principal business changed to the provision of technological digital marketing solutions for businesses. Accordingly, these annual consolidated financial statements are presented as a continuation of Wishpond Private.

On January 7, 2021, the Company completed its acquisition of Invigo Media Corp. and its affiliates, EverGenius LLC, and Invigo Media LLC (collectively referred to as "Invigo"). Invigo is a marketing technology and services company that provides digital marketing solutions to medical clinics. In consideration for the acquisition of Invigo, the Company provided a cash payment of $835,000 and a two-year performance earn-out that may be paid in cash, Wishpond common shares, or a combination thereof, at the Company's discretion. The two-year earn-out will be based on Adjusted EBITDA of Invigo and is payable on a quarterly basis.

On February 26, 2021, the Company completed its acquisition of all of the equity interests in PersistIQ, Inc. ("PersistIQ") through the Company's wholly owned subsidiary, Wishpond Technology Group Ltd. Based out of San Mateo, California, PersistIQ is a Software-as-a-Service ("SaaS") company which provides sales engagement technologies to salespeople and entrepreneurs. In consideration for the PersistIQ acquisition, Wishpond provided a cash payment of US$1,000,000, issued 663,388 Wishpond common shares for an aggregate fair value of $1,001,821, and a one-year performance earn-out that may be paid in cash or by the issuance of Wishpond common shares, at the sole discretion of the Company. The one-year earn-out will be based on the revenue of PersistIQ and is payable on a quarterly basis.

On August 31, 2021, the Company completed its acquisition of certain assets and specific liabilities from AtlasMind Inc. (doing business as "Brax.io") through the Company's wholly owned indirect subsidiary, Brax Technologies Inc. ("Brax"). Brax.io is a SaaS company that offers a robust advertising platform for the management of a company's digital ads across multiple sources. In consideration for the acquisition of certain assets and specific liabilities of Brax.io, the Company provided a cash payment of US$1,333,334 and a one-year performance earn-out that may be paid in cash, Wishpond common shares, or a combination thereof, at the Company's discretion. The one-year earn-out will be based on the revenue of Brax and is payable on a quarterly basis.

On December 31, 2021, the Company completed its acquisition of certain assets from AtlasMind Inc. (doing business as "Winback.chat") through the Company's wholly owned indirect subsidiary, Winback Technologies Inc. ("Winback"). Winback.chat is a SaaS company that offers a SMS platform for small-medium sized businesses with a focus on providing cart abandonment solutions. In consideration for the acquisition of certain assets of Winback.chat, the Company provided a cash payment of US$700,000.

As of December 31, 2021, the Company had no debt service obligations, had cash of $6,242,453 and a credit facility that allows the Company to borrow up to $6,000,000 (Note 14). The Company incurred an operating loss of $3,145,322 and $1,645 for the years ended December 31, 2021 and December 31, 2020, respectively. Net cash used in operating activities was $1,538,146 compared to net cash provided by operating activities of $3,215,024 for the years ended December 31, 2021 and December 31, 2020, respectively.

As a result, after considering all relevant information, including its actions completed to date, future plans, and access to available cash on hand and credit facility, management has concluded that there are no material uncertainties related to events or conditions that may cast significant doubt upon the Company's ability to continue as a going concern for a period of 12 months from the date of approval of these annual consolidated financial statements.

The estimates used by management in reaching this conclusion are based on information available as of the date these consolidated financial statements were authorized for issuance and include internally generated cash flow forecasts. Accordingly, actual results could differ from these estimates and resulting variances may be material to management's assessment.

The accompanying annual consolidated financial statements have been prepared on a going-concern basis, which contemplates the realization of assets and the satisfaction of liabilities in the normal course of business. The accompanying annual consolidated financial statements do not include any adjustments to reflect the possible future effects on the recoverability and classification of assets or the amounts and classification of liabilities that may result from uncertainty related to the Company's ability to continue as a going concern.

The Company's Board of Directors approved these annual consolidated financial statements on April 25, 2022.

## 2. Basis of presentation

Statement of compliance

These annual consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and IFRS Interpretations Committee ("IFRIC").

The preparation of annual consolidated financial statements in accordance with IFRS requires management to make judgments, estimates, and assumptions that affect the application of accounting policies and reported amounts of assets, liabilities, revenues and expenses. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected. Areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the annual consolidated financial statements are disclosed in Note 6.

Basis of consolidation

The annual consolidated financial statements of Wishpond include the accounts of the Company and entities controlled by the Company. Control is achieved when the Company has power over the investee, is exposed or has right to variable returns from its involvements with the investee and has the ability to use its power to affect its returns.

The Company reassesses whether it controls any investee if facts and circumstances indicate that there are changes in one or more of the three elements of control listed above.

As of December 31, 2021 the following entities are controlled by the Company:

| Entity | Parent | Country of Incorporation | Effective Interest |
|---|---|---|---|
| Wishpond Solutions Ltd. | Wishpond Technologies Ltd. | Canada | 100% |
| Wishpond Marketing Group Ltd. | Wishpond Technologies Ltd. | Canada | 100% |
| Wishpond Technology Group Ltd. | Wishpond Technologies Ltd. | Canada | 100% |
| Invigo Media Ltd. | Wishpond Marketing Group Ltd. | Canada | 100% |
| PersistIQ Inc. | Wishpond Technology Group Ltd. | USA | 100% |
| Brax Technologies Inc. | Wishpond Technology Group Ltd. | Canada | 100% |
| Winback Technologies Inc. | Wishpond Technology Group Ltd. | Canada | 100% |

The annual consolidated financial statements include the accounts of the Company and its subsidiaries which it has control. All significant intercompany balances, transactions and any unrealized gains and losses arising from intercompany transactions have been eliminated.

## 3. Significant accounting policies

The significant accounting policies used in the preparation of these annual consolidated financial statements are described below.

### a) Basis of measurement

These annual consolidated financial statements have been prepared under the historical cost convention, except for certain financial instruments which are measured at fair value.

### b) Foreign currency translation

Functional and presentation currency:

The Company's annual consolidated financial statements are presented in Canadian dollars.

Each entity of the Company determines its own functional currency and items included in the financial statements of each entity are measured using that functional currency. The determination of functional currency is based on the primary economic environment in which an entity operates. The functional currency of an entity reflects the underlying transactions, events and conditions that are relevant to the entity.

The functional currency of PersistIQ Inc., Brax Technologies Inc., and Winback Technologies Inc. is the US dollar. The functional currency of all other entities in the group is the Canadian dollar.

Transactions and balances:

Foreign currency transactions are translated into Canadian dollars at exchange rates in effect on the date of the transactions. Monetary assets and liabilities denominated in foreign currencies at the consolidated statements of financial position date are translated to Canadian dollars at the foreign exchange rate applicable at that date. Realized and unrealized exchange gains and losses are recognised through profit or loss. Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction.

### c) Cash and short-term investments

Cash in the statements of financial position and statements of cash flows comprises of cash in banks.

Short-term investments in the statements of financial position and statements of cash flows comprises of Guaranteed Investment Certificates ("GIC") that mature within twelve months.

### d) Financial instruments

Financial instruments are recognised when the Company becomes a party to the contractual provisions of a financial instrument. The Company is required to initially recognise all of its financial assets and liabilities, including derivatives and embedded derivatives in certain contracts, at fair value.

Subsequent to initial recognition, the Company classifies its financial assets and liabilities depending on the purpose for which the financial instruments were acquired, their characteristics, and management choices and intentions related thereto for the purpose of ongoing measurements.

*Measurement of financial instruments:*

- Financial instruments at amortized cost:

Financial instruments are recorded at amortized cost when held with the objective of collecting (or paying) contractual cash flows and those cash flows represent solely payments of principal and interest and are not designated or measured at fair value through profit or loss ("FVTPL").

These instruments are measured at amortized cost subsequent to initial recognition using the effective interest method. This method uses an effective interest rate that discounts estimated future cash receipts (or payments) through the expected life of the financial instrument, if any. Interest income (and expense) and impairment losses are recognised through profit or loss. Any gain or loss on derecognition is recognised in profit or loss.

- Financial instruments at FVTPL:

All other financial instruments are measured at FVTPL.

The Company, at initial recognition, may irrevocably designate a financial instrument as measured at FVTPL if doing so eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise from measuring assets or liabilities or recognizing the gains and losses on them on different basis.

Derivative financial instruments are measured at fair value subsequent to initial recognition at the end of each reporting period, with any fair value gains or losses recognised in profit or loss.

*Classification of financial instruments:*

The Company's financial assets and liabilities are classified and measured as follows:

| | |
|---|---|
| Cash | Amortized cost |
| Short-term investments | Amortized cost |
| Accounts receivable | Amortized cost |
| Accounts payable and accrued liabilities | Amortized cost |
| Bank indebtedness | Amortized cost |
| Contingent consideration liability | FVTPL |
| Foreign exchange forward contracts | FVTPL |
| Lease liability | Amortized cost |

*Fair value hierarchy:*

The Company classifies its fair value measurements using a fair value hierarchy that reflects the significance of inputs used in making the measurements. IFRS establishes a fair value hierarchy based on the level of independent and objective evidence surrounding the inputs used to measure fair value. Fair value determination is classified within a three-level hierarchy, based on observability of significant inputs, as follows:

- **Level 1** - Quoted prices (unadjusted) in active markets for identical assets or liabilities.
- **Level 2** - Inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly.
- **Level 3 -** Unobservable inputs for the asset or liability. Inputs into the determination of the fair value require management judgment or estimation.

If different levels of inputs are used to measure a financial instrument's fair value, the classification within the hierarchy is based on the lowest level of input that is significant to the fair value measurement. Changes to valuation methods may result in transfers into or out of an investment's assigned level.

Forward foreign exchange contract derivatives are measured at fair value through profit or loss using Level 2 inputs.

Contingent consideration liabilities are measured at fair value through profit or loss using Level 3 inputs which include estimates about discount rates, forecasted revenue levels and growth rates.

**e) Stock-based compensation**

The Company has an incentive share option plan as described in Note 12. For employees, the Company measures the fair value of equity settled share options on the grant date and each tranche is recognised on a graded vesting basis over the period during which the options vest. For non-employees, the compensation expense is measured at the fair value of goods and services received except where the fair value cannot be reliably estimated in which case it is measured at the fair value of the equity settled share option granted. Consideration paid by employee and non-employees on the exercise of stock options is recorded as share capital and the related share-based compensation is transferred from contributed surplus to share capital.

The fair value of the options granted is measured using the Black-Scholes option pricing model ("BSM") taking into account the terms and conditions upon which the options were granted. At each financial position reporting date, the amount recognised as an expense is adjusted to reflect the actual number of share options that are expected to vest.

The BSM requires management to estimate the expected volatility, term of the equity instrument, the risk-free rate of return over the term, expected dividends, and the number of equity instruments expected to ultimately vest. In estimating expected volatility, the Company considers the historical share price volatility of similar publicly listed entities. Forfeitures are adjusted for on an actual basis.

The fair value of stock options is charged to loss and comprehensive loss with a corresponding increase in contributed surplus within equity. Previously recognised expenses are not subsequently reversed for options that vest but are not exercised.

**f) Revenue recognition**

Revenue represents the amount that the Company expects to receive for services in its contracts with customers, net of discounts and sales taxes.

The core principle of IFRS 15 *Revenue from Contracts with Customers* ("IFRS 15") is that an entity recognises revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods and services.

IFRS 15 provides a principles-based five step model for revenue recognition to be applied to all customer contracts. The five steps are:

- Identify the contract with a customer;
- Identify the performance obligation in the contract;
- Determine the transaction price;
- Allocate the transaction price to the performance obligations in the contract; and
- Recognise the revenue when (or as) the entity satisfies a performance obligation.

Revenues generated by the Company include the following:

(i) *Software subscription revenues:* subscription agreements provide customers the right to access the Company's suite of cloud-based marketing software. Pricing is based on a tiered system driven by features accessed, leads generated, user seats, ad spend, and SMS credits. Customers have the option to subscribe on a monthly or annual basis. Software subscription revenues are recognised over the term of the related contracts.

(ii) *Marketing subscription revenues:* customised professional marketing services are offered to customers on a subscription basis. Services typically include landing page design, contest campaigns, ad campaigns, outbound sales, SEO services, customer relationship management services, and managed media buying services among others. The majority of marketing contracts are annual with a monthly billing cycle. Marketing subscription revenues are recognised over the term of the related contracts, which is akin to when the performance obligations are delivered. Incremental costs of obtaining a contract include sales commissions. Given that the Company's contracts have terms of twelve (12) months or less, the Company employs the practical expedient which allows for expensing the sales commission costs as incurred.

**g) Deferred revenue**

Deferred revenue consists of cash received in advance of the Company providing the subscribed services and is recognised in income over the estimated life of the subscription agreement.

**h) Income taxes**

The income tax expense for the period comprises of current and deferred tax. Tax is recognised in the consolidated statements of loss and comprehensive loss, except to the extent it relates to items recognised in other comprehensive loss or directly in equity. In this case, the tax is recognised in other comprehensive income or loss, or equity, respectively.

Current tax is the expected tax payable on the taxable income for the period using tax rates enacted or substantively enacted, at the end of the period, and any adjustments to tax payable in respect to previous periods.

Deferred taxes are calculated using the asset and liability method on temporary differences between the carrying amount of assets and liabilities and their related tax bases. Deferred income taxes are measured using substantively enacted tax rates that will be in effect when the amounts are expected to be settled. Deferred tax assets are only recognizable to the extent it is probable that they will be utilised against future taxable income.

The assessment of probability of future taxable income in which deferred tax assets can be utilised is based on the Company's latest approved forecast, which is adjusted for significant non-taxable income and expenses. If a positive forecast of taxable income indicates the probable use of a deferred tax asset, the deferred tax asset is generally recognised to the extent it is recoverable.

Deferred tax assets and liabilities are only offset when the Company has the right and intention to offset current tax assets and liabilities from the same taxation authority. Changes in deferred tax assets and liabilities are recognised as a component of income or expense in net earnings or loss, except where they relate to items that are recognised in other comprehensive income or loss, or equity.

### i) Share capital

Common shares are classified as equity. Costs directly attributable to the issuance of shares are recognised as a deduction from equity. Share issuance costs consist of compensation options, legal and other costs relating to raising capital.

### j) Business combinations

Business combinations are accounted for using the acquisition method. The cost of the acquisition is measured at the aggregate of the fair values at the date of acquisition, of assets transferred, liabilities incurred or assumed, and equity instruments issued by the Company. The acquiree's identifiable assets and liabilities assumed are recognized at their fair value at the acquisition date.

Goodwill is initially measured as the excess of the consideration paid over the fair value of the net identifiable assets and liabilities. If the consideration is lower than the fair value of the net assets of the subsidiary acquired, the difference is recognized in the consolidated statements of loss and comprehensive loss.

The Company recognizes contingent consideration relating to its business acquisitions at fair value at the date the transaction closes and revalues the component of contingent consideration recognized as a liability at each subsequent reporting date and on settlement through earnings.

Acquisition related costs are expensed as incurred, except if they relate to the issue of debt or equity securities. Any goodwill that arises is tested annually for impairment.

### k) Asset acquisitions

Asset acquisitions are accounted for at cost. The acquisition cost includes directly related acquisition costs and transaction costs. The cost of the acquisition is allocated to the net assets acquired on a relative fair value basis. Contingent consideration, where the arrangement is not a derivative, is recognized when it is probable and estimable and is included as part of the cost of the acquisition. After the initial acquisition accounting, changes in the fair value of contingent consideration are recognized in profit or loss.

### l) Research and development

The Company is engaged in research and development activities. Research costs are expensed as incurred.

Development costs are expensed, unless all of the following can be demonstrated:

- The technical feasibility of completing the intangible asset so that it will be available for use or sale;
- The intention to complete the intangible asset and use or sell it;
- The ability to use or sell the intangible asset;
- How the intangible asset will generate probable future economic benefits;
- The availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset; and

- The ability to measure reliably the expenditures attributable to the intangible asset during its development.

Development costs that meet the above criteria are capitalised at cost as deferred development costs. Deferred development costs have finite useful lives and are carried at cost less accumulated amortization and accumulated impairment losses. The deferred development costs are amortized on a straight-line basis over an estimated useful life between 7 to 10 years.

**m) Research tax credits**

The Company is entitled to certain Canadian federal and provincial tax incentives for qualified scientific research and experimental development. These investment tax credits were recorded as a reduction in the related expenditures when there was reasonable assurance that such credits will be realised. Investment tax credits that are related to capitalised expenditures such as deferred development costs are recognised in the statement of financial position as a reduction to the asset that the tax credit relates. As of December 8, 2020, the Company lost its Canadian-Controlled Private Corporation ("CCPC") status in connection with the reverse takeover transaction (Note 4) and no longer receives a refundable research tax credit for qualifying expenditures. Subsequent to December 8, 2020, research tax credits are applied against taxable income as a non-refundable tax credit and will expire in 2030 and forward unless previously utilized.

**n) Leases**

The Company applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Company recognises lease liabilities representing obligations to make lease payments and right-of-use assets representing the right to use the underlying assets.

*i) Right-of-use assets:*
The Company recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities.

The Company presents right-of-use assets in property and equipment. The right-of-use asset is subsequently depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets. For the Company's right-of-use office lease, this period was approximately 4 years.

*ii) Lease liabilities:*
At the commencement date of the lease, the Company recognises lease liabilities measured at the present value of lease payments to be made over the lease term.

In calculating the present value of lease payments, the Company uses its incremental borrowing rate at the commencement date because the interest rate implicit in the lease is not readily determinable.

After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made.

**o) Impairment**

Tangible and intangible assets with finite lives are reviewed for indications of impairment at each statement of financial position date. If indication of impairment exists, the asset's recoverable amount is estimated. Goodwill and intangible assets with indefinite lives are tested annually for impairment regardless of whether any indicators of impairment are present.

An impairment loss is recognised when the carrying amount of an asset, or its cash-generating unit, exceeds its recoverable amount. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash-generating unit to which the asset belongs. A cash-generating unit is the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or groups of assets. Impairment losses are recognised in the statements of loss and comprehensive loss for the period.

The recoverable amount is the greater of the asset's fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

An impairment loss is reversed if there is an indication that there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognised.

### p) Loss per share

Basic loss per share is computed by dividing net loss available to common shareholders by the weighted average number of shares outstanding during the reporting period. Diluted loss per share is computed similar to basic loss per share, except that the weighted average shares outstanding are increased to include additional shares for the assumed exercise of stock options and warrants, if dilutive. The number of additional shares is calculated by assuming that outstanding stock options and warrants were exercised and that the proceeds from such exercises were used to acquire common stock at the average market price during the reporting periods. However, diluted loss per share does not include the increase to weighted average shares, as the effect of including additional shares that would be anti-dilutive.

## 4. Reverse takeover transaction

In connection with the completion of the Transaction (Note 1) on December 8, 2020, the Company acquired all of the issued and outstanding shares of Wishpond Private. As consideration for the acquisition of Wishpond Private, the Company issued 2,666,667 post-consolidation shares representing $2,000,000 based on the concurrent financing subscription price of $0.75 per subscription receipt and exchanged an additional 170,012 post-consolidation stock options of Antera Ventures I Corp.'s ("Antera") valued at $94,368.

As part of the Transaction, the Company also completed a brokered private placement financing on October 15, 2020 (the "Financing"), resulting in the issuance of 6,133,000 subscription receipts (the "Subscription Receipts") of the Company at a purchase price of $0.75 per subscription receipt for gross proceeds of approximately $4,599,750. The Financing was completed by a syndicate of agents led by Beacon Securities Limited ("Beacon") and including PI Financial Corp. (collectively, the "Agents"). On completion of the Transaction, the subscription receipts were automatically converted in accordance with their terms into one (1) Share of the Company.

The Agents received a cash commission equal to 8% of the gross proceeds of the Financing totaling $355,000, a corporate finance fee of $25,000, and 471,607 broker warrants (the "Broker Warrants") valued at $138,076. The fair value of the Broker Warrants granted were estimated on their dates of issue using the BSM and the following assumptions: volatility rate of 72%, risk-free rate of 0.27%, dividend yield of 0% and weighted average life of 2 years.

The Transaction was considered to be outside the scope of IFRS 3 *Business Combinations* ("IFRS 3") since Antera's activities prior to the Transaction were limited to the management of cash resources and the maintenance of its listing and accordingly, did not constitute a business under IFRS 3.

(Expressed in Canadian Dollars except shares amounts or stated otherwise)

As a result, for accounting purposes, the Transaction was accounted for as a reverse takeover asset acquisition identifying Wishpond as the acquirer with the net assets of Antera being treated as the acquired assets. The consideration issued in the Transaction is accounted for as a share-based payment under IFRS 2 *Share-based Payment*.

The excess of the purchase price over net assets acquired was charged to the statements of loss and comprehensive loss as a reverse takeover ("RTO") listing expense. Antera's share capital, retained earnings, and contributed surplus were eliminated on consolidation.

The following represents the fair value of the net assets acquired as a result of the reverse acquisition:

| | | |
|---|---|---|
| **Consideration** | | |
| Fair value of 12,391,255 pre-consolidation Shares issued (valued at 2,666,667 post-consolidation Shares at $0.75 per share) to shareholders of Wishpond Private | $ | 2,000,000 |
| Fair value of Antera stock options exchanged for Resulting Issuer's stock options | | 94,368 |
| **Fair value of consideration issued** | **$** | **2,094,368** |
| | | |
| **Net assets acquired (liabilities assumed)** | | |
| Cash | $ | 517,004 |
| Accounts payable and accrued liabilities | | (43,241) |
| **Total net assets acquired** | **$** | **473,763** |
| | | |
| **Reverse takeover listing expense** | **$** | **1,620,605** |

The fair value of the Wishpond Private stock options was determined using the BSM with the following assumptions: Risk-free rate: 0.64%; Expected stock price: $0.75; Expected life of options: 8.10 years; Expected stock price volatility (based on comparable companies): 66%; and Dividend yield: 0%. In addition to the above reverse takeover listing expense of $1,620,605, additional listing expenses of $493,480 were incurred and expensed in the period ended December 31, 2020.

## 5. Acquisitions

### a) Invigo Media Ltd.

On January 7, 2021, the Company, through its wholly-owned indirect subsidiary, Invigo Media Ltd., acquired substantially all the assets and certain specified liabilities of Invigo. Invigo's technology is expected to accelerate Wishpond's product roadmap by adding new functionality to improve the customer experience with the platform. The assets acquired constituted a business as defined by IFRS 3 and the acquisition was accounted for as a business combination using the acquisition method.

In consideration for the acquisition of Invigo, Wishpond provided a cash payment of $835,000 and a two-year performance earn-out (the "Invigo Earn-out Payments") that may be paid in cash, Wishpond Shares, or a combination thereof, at the Company's discretion. The two-year earn-out will be based on Adjusted EBITDA of the acquired business and is payable on a quarterly basis.

The following table shows the allocation of the purchase price to assets acquired and liabilities assumed, based on estimates of fair value, including a summary of the identifiable classes of consideration transferred, and amounts by category of assets acquired and liabilities assumed at the acquisition date:

(Expressed in Canadian Dollars except shares amounts or stated otherwise)

| | $ |
|---|---|
| **Consideration transferred:** | |
| Fair value of cash consideration | 835,000 |
| **Total consideration transferred** | **835,000** |
| | |
| **Fair value of assets (liabilities) recognized:** | |
| Accounts and other receivables | 3,450 |
| Customer relationships | 31,000 |
| Software technology | 641,000 |
| Deferred revenue | (30,596) |
| **Fair value of net assets acquired** | **644,854** |
| **Goodwill** | **190,146** |

The intangible assets recognized from the acquisition relate to customer relationships and software technology. The customer relationships and software technology are amortized on a straight-line basis over the estimated useful life of 7 months and 7 years respectively. Goodwill arising from the acquisition is attributable mainly to the skills and technical talent of Invigo's work force and the synergies expected to be achieved from integrating the Invigo Group into the Company's existing business.

In connection with the acquisition of Invigo, the Company recorded $46,702 and $72,594 in acquisition costs for the years ended December 31, 2021 and December 31, 2020 on the consolidated statements of loss and comprehensive loss.

The Invigo Earn-out Payments constituted remuneration as defined by IFRS 3 and will be recorded as non-operating expense on the consolidated statements of loss and comprehensive loss. For the years ended December 31, 2021 and December 31, 2020, $141,728 and $Nil was recorded as earn-out remuneration on the consolidated statements of loss and comprehensive loss, respectively.

**b) PersistIQ Inc.**

On February 26, 2021 the Company, through its wholly-owned subsidiary, Wishpond Technology Group Ltd., completed its acquisition of all the outstanding and issued common shares of PersistIQ. The transaction is Wishpond's second acquisition in its strategy to grow inorganically through tuck-in acquisitions of marketing technology companies and digital marketing agencies. With the acquisition, the Company expands its existing capabilities into the sales automation and communication space and creates significant cross-selling opportunities and opening new customer segments for the Company.

In consideration for the acquisition of PersistIQ, Wishpond paid US$1,000,000 in cash, issued 663,388 Wishpond Shares for an aggregate fair value of $1,001,821, and granted the vendors a one-year earn-out valued at $1,300,253 on the acquisition date based on the projected revenue of PersistIQ (the "PersistIQ Earn-out Payments").

The acquisition was accounted for as a business combination using the acquisition method whereby the net assets acquired, and the liabilities assumed were recorded at fair value. The following table shows the allocation of the purchase price to assets acquired and liabilities assumed, based on estimates of fair value, including a summary of the identifiable classes of consideration transferred, and amounts by category of assets acquired and liabilities assumed at the acquisition date:

(Expressed in Canadian Dollars except shares amounts or stated otherwise)

| | $ |
|---|---|
| **Consideration transferred:** | |
| Fair value of cash consideration | 1,357,926 |
| Fair value of share consideration | 1,001,821 |
| Fair value of earn-out consideration | 1,300,253 |
| **Total consideration transferred** | **3,660,000** |
| | |
| **Fair value of assets and liabilities recognized:** | |
| Cash | 139,171 |
| Accounts and other receivables | 21,186 |
| Prepaid expenses | 2,814 |
| Accounts payable and accrued liabilities | (100,636) |
| Deferred revenue | (40,166) |
| Customer relationships | 32,000 |
| Software technology | 1,423,000 |
| Deferred tax liability | (424,227) |
| **Fair value of net assets acquired** | **1,053,142** |
| **Goodwill** | **2,606,858** |

The intangibles recognized from the acquisition relate to customer relationships and software technology. The customer relationships and software technology are amortized on a straight-line basis over the estimated useful life of 6 years and 7 years respectively. Goodwill arising from the acquisition is attributable mainly to the skills and technical talent of PersistIQ's work force and the synergies expected to be achieved from integrating the PersistIQ into the Company's existing business.

In connection with the acquisition of PersistIQ, the Company recorded $105,959 and $Nil in acquisition costs for the years ended December 31, 2021 and December 31, 2020 on the consolidated statements of loss and comprehensive loss.

The PersistIQ Earn-out Payments constituted consideration for the business combination as defined by IFRS 3 and is recorded as a contingent consideration liability. The contingent consideration liability will be remeasured to fair value at each reporting date, until such time as the earn-out period is over, with changes to fair value included in the consolidated statements of loss and comprehensive loss.

As at December 31, 2021, the remaining contingent consideration liability was remeasured to a fair value of $1,696,993. The Company recognized changes to the fair value of contingent consideration liability of $845,211 and $Nil in the consolidated statements of loss and comprehensive loss for the years ended December 31, 2021 and December 31, 2020, respectively.

**c) Brax Technologies Inc.**

On August 31, 2021, the Company, through its wholly-owned indirect subsidiary, Brax Technologies Inc. ("Brax"), acquired certain assets and specific liabilities of Brax.io. The assets acquired were primarily related to proprietary technologies representing a native advertising platform for bulk management, unified reporting and rule-based goal optimization across multiple marketing sources. This transaction is accounted for as an asset acquisition as the assets acquired met the concentration test under IFRS 3.

In consideration for the acquisition of Brax, Wishpond paid US$1,333,334 in cash and granted the vendors a one-year earn-out valued at $817,732 on the acquisition date based on the projected revenues of Brax (the "Brax Earn-out Payments").

(Expressed in Canadian Dollars except shares amounts or stated otherwise)

The following table shows the allocation of the purchase consideration to assets acquired and liabilities assumed including a summary of the identifiable classes of consideration transferred, and amounts by category of assets acquired and liabilities assumed at the acquisition date:

| | $ |
|---|---|
| **Purchase consideration:** | |
| Fair value of cash consideration | 1,682,268 |
| Fair value of earn-out consideration | 817,732 |
| Acquisition-related transaction costs | 44,316 |
| **Total purchase consideration** | **2,544,316** |
| | |
| **Assets and (liabilities) acquired:** | |
| Accounts and other receivables | 2,836 |
| Prepaid expenses | 2,308 |
| Software technology | 2,556,865 |
| Deferred revenue | (17,693) |
| **Total purchase price allocated** | **2,544,316** |

The software technology acquired is amortized on a straight-line basis over the estimated useful life of 7 years.

The Brax Earn-out Payments constituted consideration for the asset acquisition and is recorded as a contingent consideration liability. The contingent consideration liability will be remeasured to fair value at each reporting date, until such time as the earn-out period is over, with changes to fair value included in the consolidated statements of loss and comprehensive loss.

As at December 31, 2021, the remaining contingent consideration liability was remeasured to a fair value of $832,193. The Company recognized changes to the fair value of contingent consideration liability of $14,461 and $Nil in the consolidated statements of loss and comprehensive loss for the years ended December 31, 2021 and December 31, 2020, respectively.

**d) Winback Technologies Inc.**

On December 31, 2021, the Company, through its wholly-owned indirect subsidiary, Winback Technologies Inc. ("Winback"), acquired certain assets of Winback.chat. The assets acquired were related to proprietary technologies representing an automated SMS marketing solutions platform, including a cart abandonment tool that can also be sold to Wishpond's existing customers. This transaction is accounted for as an asset acquisition as the assets acquired met the concentration test under IFRS 3.

In consideration for the acquisition of Winback, Wishpond paid US$700,000 in cash on the acquisition date. The following table shows the allocation of the purchase consideration to assets acquired including a summary of the identifiable classes of consideration transferred, and amounts by category of assets acquired at the acquisition date:

| | $ |
|---|---|
| **Purchase consideration:** | |
| Fair value of cash consideration | 890,000 |
| Acquisition-related transaction costs | 35,564 |
| **Total purchase consideration** | **925,564** |
| | |
| **Assets acquired:** | |
| Software technology | 925,564 |
| **Total purchase price allocated** | **925,564** |

The software technology acquired is amortized on a straight-line basis over the estimated useful life of 7 years.

## 6. Critical accounting estimates and judgments

The Company makes estimates and assumptions concerning its financial future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and judgments that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial period are addressed below:

*Stock-based compensation*
Management determines costs for share-based payments using market-based valuation techniques. The fair value of stock option awards is determined at the date of the grant using generally accepted valuation techniques. Assumptions are made and judgements are used in applying valuation techniques. These assumptions and judgements include estimating the future volatility of the stock price, expected dividend yield, forfeiture rates, and the fair value of the Company's common shares.

*Determination of functional currency*
In determining its functional currency, the Company considers factors related to its primary economic environment. These include the currency which mainly influences the Company's sales prices for goods and services, the country whose competitive forces and regulations mainly determine sale prices of its services, and the currency which mainly influences costs related to providing its services. The Company also considers secondary factors including the currency in which funds from financing activities are generated, and the currency in which operating activities are usually retained.

*Estimated useful lives of intangible assets*
The estimated useful lives of intangible assets are based on management's intentions, historical experience, internal plans and other factors as determined by management. The useful lives are reviewed on an annual basis and any revisions to the useful lives are accounted for prospectively.

*Business combinations and asset acquisitions*
Business combinations and asset acquisitions require management to exercise judgment in measuring the fair value of purchase consideration and to identify and estimate the fair values of assets acquired and liabilities and contingent liabilities incurred or assumed. Judgment is also required in determining what qualifies as part of consideration paid and whether an acquisition is a business combination or asset acquisition under IFRS 3.

*Impairment testing of goodwill*
The Company tests at least annually whether goodwill and indefinite lived intangibles have suffered any impairment, in accordance with the requirements of IAS 36 Impairment of Assets. The recoverable amounts of cash-generating units ("CGU") are determined based on the greater of their fair value less costs of disposal and value in use which require the use of estimates and judgments.

Assets are grouped into CGUs that have been identified as being the smallest identifiable group of assets that generate cash inflows that are independent of cash inflows of other assets or group of assets. The determination of these CGUs is based on management's judgement with regards to product type, how management monitors the entity's operations, how management makes decisions about continuing or disposing of the entity's assets and operations, and other relevant factors.

The Company applies the discounted cash flow model for value in use calculations which requires management to make certain assumptions, including significant estimates about forecasted revenue levels and growth rates, operating margins, and discount rates. In arriving at its forecasts, the Company considered historical performance, current industry trends, and market opportunities.

(Expressed in Canadian Dollars except shares amounts or stated otherwise)

## 7. Accounts and other receivables

| | December 31, 2021 | December 31, 2020 |
|---|---|---|
| | $ | $ |
| Accounts receivable | 289,062 | 118,917 |
| Provision for expected credit losses | (119,400) | (88,296) |
| **Accounts and other receivables** | **169,662** | **30,621** |

The Company evaluates credit losses on a periodic basis based on the aging and collectability of its receivables. The expected lifetime credit loss provision for trade receivables is based on historical counterparty default rates and adjusted for relevant forward-looking information as required.

## 8. Accounts payable and accrued liabilities

| | December 31, 2021 | December 31, 2020 |
|---|---|---|
| | $ | $ |
| Trade payables and accrued liabilities | 609,766 | 534,560 |
| Accrued Invigo earn-out payments | 40,806 | - |
| Other payables | 413,248 | 162,628 |
| Sales tax payable | 168,624 | 148,591 |
| **Accounts payable and accrued liabilities** | **1,232,444** | **845,779** |

## 9. Property and equipment

| | Computer equipment | Furniture and fixtures | Right-of-use assets | Total |
|---|---|---|---|---|
| **Cost** | $ | $ | $ | $ |
| As at January 1, 2021 | 84,706 | 35,899 | 1,287,107 | 1,407,712 |
| Additions | 20,165 | - | - | 20,165 |
| **As at December 31, 2021** | **104,871** | **35,899** | **1,287,107** | **1,427,877** |
| | | | | |
| **Accumulated depreciation** | | | | |
| As at January 1, 2021 | 69,662 | 35,899 | 1,029,693 | 1,135,254 |
| Depreciation for the period | 5,216 | - | 257,414 | 262,630 |
| **As at December 31, 2021** | **74,878** | **35,899** | **1,287,107** | **1,397,884** |
| | | | | |
| **Cost** | | | | |
| As at January 1, 2020 | 68,907 | 35,899 | 1,287,107 | 1,391,913 |
| Additions | 15,799 | - | - | 15,799 |
| **As at December 31, 2020** | **84,706** | **35,899** | **1,287,107** | **1,407,712** |
| | | | | |
| **Accumulated depreciation** | | | | |
| As at January 1, 2020 | 68,132 | 35,899 | 772,269 | 876,300 |
| Depreciation for the period | 1,530 | - | 257,424 | 258,954 |
| **As at December 31, 2020** | **69,662** | **35,899** | **1,029,693** | **1,135,254** |
| | | | | |
| **Net book value** | | | | |
| **As at December 31, 2021** | **29,993** | **-** | **-** | **29,993** |
| **As at December 31, 2020** | **15,044** | **-** | **257,414** | **272,458** |

(Expressed in Canadian Dollars except shares amounts or stated otherwise)

## 10. Intangible assets

| | Deferred development costs | Customer relationships | Software technology | Goodwill | Total |
|---|---|---|---|---|---|
| **Cost** | $ | $ | $ | $ | $ |
| As at January 1, 2020 | 1,230,481 | - | - | - | 1,230,481 |
| Additions | 270,323 | - | - | - | 270,323 |
| **As at December 31, 2020** | **1,500,804** | **-** | **-** | **-** | **1,500,804** |
| Additions | 881,591 | - | - | - | 881,591 |
| Acquired via acquisition transactions | - | 63,000 | 5,546,429 | 2,797,004 | 8,406,433 |
| **As at December 31, 2021** | **2,382,395** | **63,000** | **5,546,429** | **2,797,004** | **10,788,828** |
| | | | | | |
| **Accumulated depreciation** | | | | | |
| As at January 1, 2020 | 469,991 | - | - | - | 469,991 |
| Depreciation for the period | 136,944 | - | - | - | 136,944 |
| **As at December 31, 2020** | **606,935** | **-** | **-** | **-** | **606,935** |
| Depreciation for the period | 197,227 | 35,488 | 383,631 | - | 616,346 |
| **As at December 31, 2021** | **804,162** | **35,488** | **383,631** | **-** | **1,223,281** |
| | | | | | |
| **Net book value** | | | | | |
| **As at December 31, 2020** | **893,869** | **-** | **-** | **-** | **893,869** |
| **As at December 31, 2021** | **1,578,233** | **27,512** | **5,162,798** | **2,797,004** | **9,565,547** |

## 11. Income tax

The Company recognized income tax in the consolidated statements of loss and comprehensive loss for the years ended December 31, 2021 and December 31, 2020 as follows:

| | December 31, 2021 | December 31, 2020 |
|---|---|---|
| | $ | $ |
| Current income tax expense | 133,746 | - |
| Deferred income tax recovery | (40,022) | - |
| **Income tax expense** | **93,724** | - |

The tax expense differs from the theoretical amount that would arise using the tax rate applicable to profits of the Company for the years ended December 31, 2021 and December 31, 2020 as follows:

| | December 31, 2021 | December 31, 2020 |
|---|---|---|
| | $ | $ |
| **Loss for the period before income tax recovery** | (4,794,153) | (2,215,493) |
| Average statutory rate | 27% | 27% |
| **Recovery of income taxes based on statutory rates** | **(1,294,421)** | **(598,183)** |
| | | |
| **Increase in income tax recovery resulting from:** | | |
| Non-taxable expenditures and other | 758,109 | 28,250 |
| Change in non-recognized deferred tax assets | 630,036 | 569,933 |
| **Income tax expense** | **93,724** | **-** |

(Expressed in Canadian Dollars except shares amounts or stated otherwise)

Deferred income tax assets are recorded to the extent that the realization of the related tax benefit is probable based on estimated future earnings. Deferred income tax assets have not been recognized with respect to the following deductible temporary differences:

| | December 31, 2021 $ | December 31, 2020 $ |
|---|---|---|
| **Deferred tax assets** | | |
| Losses carried forward | 2,094,611 | 2,569,086 |
| Property and equipment | 807,597 | - |
| Other | 1,222,982 | - |
| **Total unrecognized temporary deductible differences** | **4,125,190** | **2,569,086** |

The Company has non-capital losses for the year ended December 31, 2021 of approximately $2,094,611 (2020 - $2,569,086) which are available to reduce future year's taxable income. The noncapital losses will commence to expire in 2035 if not utilized. Management estimates future income using forecasts based on the best available current information.

The Company has net operating losses for the year ended December 31, 2021 of US$1.56 million for US federal and California state purposes which are subject to loss restrictions for US tax purposes. Management estimates it is not probable a deferred asset can be recognized in respect of these losses.

The significant components of the Company's deferred income tax assets (liabilities) are comprised of the following:

| | As of December 31, 2020 $ | Acquired in business combinations $ | Recovery (expense) through earnings $ | As of December 31, 2021 $ |
|---|---|---|---|---|
| Property and equipment | 41,517 | - | 176,590 | 218,107 |
| Intangible assets | (241,345) | (424,227) | (688,529) | (1,354,101) |
| Contingent consideration payable | - | - | 226,448 | 226,448 |
| Other | 23,457 | - | (23,457) | - |
| Non-capital losses/non-operating losses | 247,296 | - | 349,812 | 597,108 |
| Income tax credits | (70,925) | - | (842) | (71,767) |
| **Total** | **-** | **(424,227)** | **40,022** | **(384,205)** |

## 12. Share capital

### a) Authorised

Unlimited common shares without par value.

The Company’s common shares are also authorised for issuance under the employee stock option plan. The maximum aggregate number of common shares that may be reserved for issuance under the employee stock option plan at any point in time is 10% of the outstanding shares at the time, less any common shares reserved for issuance of share options granted under share compensation arrangements other than the plan.

### b) Issued common shares

As at December 31, 2021, the issued share capital was comprised of 51,766,291 (December 31, 2020 - 46,169,150) common shares.

During the year ended December 31, 2021, the Company undertook the following share transactions:

i. On February 5, 2021, the Company closed its bought deal prospectus offering of 4.6 million common shares of the Company at a price of $1.75 per share for gross proceeds of $8.05 million (the "Offering"), which includes the exercise in full of the underwriters' over-allotment option. The Offering was led by Beacon Securities Limited as lead underwriter and sole bookrunner, on behalf of a syndicate of underwriters, including PI Financial Corp., Desjardins Securities Inc., Haywood Securities Inc. and Paradigm Capital Inc. (collectively, the "Underwriters"). In consideration for the services provided by the Underwriters in connection with the Offering, the Company paid the Underwriters a commission equal to 7% of the gross proceeds raised under the Offering and issued to the Underwriters an aggregate of 313,766 non-transferable warrants (the "Compensation Options"), which represents 7% of the number of common shares sold under the Offering, in each case subject to reduction as disclosed in the final prospectus. Each Compensation Option is exercisable into one common share of the Company at $1.75 per share, subject to adjustments in certain events, until February 5, 2023. Total share issuance costs related to this financing were $1,136,664 of which $268,526 is attributed to the fair value of the Compensation Options issued, resulting in net proceeds of $7,181,862. The fair value of the Compensation Options issued were estimated on their dates of issue using the BSM and the following assumptions: volatility rate of 71%, risk-free rate of 0.20%, dividend yield of 0% and weighted average life of 2 years.

ii. On March 18, 2021, the Company issued 663,388 common shares in consideration for the acquisition of PersistIQ (Note 5).

iii. On June 7, 2021, the Company announced that the Notice of an Intention it filed to make a Normal Course Issuer Bid ("NCIB") was approved by the Exchange. Under the NCIB, the Company may acquire up to an aggregate of 2,590,389 common shares, representing 5% of the issued and outstanding shares of the Company as at June 3, 2021, for a one-year period from June 11, 2021 to June 10, 2022 or earlier should the Company complete its repurchases prior to such date. During the year ended December 31, 2021, 248,800 common shares were purchased under the NCIB for cancellation, for aggregate consideration of $318,602.

During the year ended December 31, 2020, the Company undertook the following share transactions:

i. On October 15, 2020, the Company completed a brokered private placement of 6,133,000 subscription receipts at a price of $0.75 per subscription receipt, for gross proceeds of $4.6 million. The Agents received a cash commission equal to 8% of the gross proceeds of the Financing totaling $355,000, a corporate finance fee of $25,000, and 471,607 broker warrants (the "Broker Warrants") valued at $138,076. Approximately $110,256 was also incurred for legal and accounting costs related to the financing.

ii. On September 10, 2020, Wishpond Private issued convertible debt (the "Debenture") with an aggregate principal amount of $150,000. The principal amount was converted into 285,715 common shares on November 24, 2020.

iii. On November 24, 2020, the Debt Conversion Agreement (Note 13) was converted into 6,005,301 common shares.

## c) Warrants

The changes in warrants during the years ended December 31, 2021 and December 31, 2020 were as follows:

(Expressed in Canadian Dollars except shares amounts or stated otherwise)

| | December 31, 2021 | | December 31, 2020 | |
|---|---|---|---|---|
| | **Number of warrants** | **Weighted average exercise price $** | **Number of warrants** | **Weighted average exercise price $** |
| Balance outstanding, beginning of year | 474,190 | 0.75 | - | - |
| Antera warrants issued | - | - | 38,738 | 0.46 |
| Broker warrants issued | - | - | 471,607 | 0.75 |
| Antera warrants exercised | (2,583) | 0.46 | (36,155) | 0.46 |
| Broker warrants exercised | (325,008) | 0.75 | - | - |
| Compensation Options issued | 313,766 | 1.75 | - | - |
| **Balance outstanding, end of period** | **460,365** | **1.43** | **474,190** | **0.75** |

Each of the Broker Warrants issued in connection with the brokered private placement financing on October 15, 2020 is exercisable into one common share of the Company at an exercise price of $0.75 and expires on December 8, 2022.

Each of the Compensation Options issued in connection with the Offering on February 5, 2021 is exercisable into one common share of the Company at an exercise price of $1.75, subject to adjustments in certain events, until February 5, 2023.

### d) Options to purchase common shares

The Company has a stock option plan (the "Plan") which authorises the Board of Directors to grant incentive stock options to directors, officers, employees and consultants. At the grant date, the vesting provisions, term, exercise price and other terms and conditions of grants of options are determined by the Board.

### e) Movement in share options

The changes in share options during the years ended December 31, 2021 and December 31, 2020 were as follows:

| | **# of Options** | | **Weighted average exercise price** |
|---|---|---|---|
| January 1, 2020 | 5,378,542 | $ | 0.05 |
| Granted | 3,061,105 | | 2.04 |
| Exercised | (4,960,602) | | 0.03 |
| Forfeited/expired | (117,864) | | 0.33 |
| Repurchased | (9,733) | | 0.47 |
| Antera options exchanged for Resulting Issuer's stock options | 170,012 | | 0.46 |
| **December 31, 2020** | **3,521,460** | **$** | **1.80** |
| Granted | 843,890 | | 1.56 |
| Exercised | (254,962) | | 0.27 |
| Forfeited/expired | (382,929) | | 1.96 |
| **December 31, 2021** | **3,727,459** | **$** | **1.86** |

During the years ended December 31, 2021, and December 31, 2020, the Company recognised $2,322,735 and $100,649, respectively, to stock-based compensation expense through to the consolidated statements of loss and comprehensive loss.

(Expressed in Canadian Dollars except shares amounts or stated otherwise)

### f) Fair value of share options granted

During the year ended December 31, 2021, the Company granted the following options:

| Grant date | Number of options granted | Exercise price | Vesting period (in years) | Expiry date |
|---|---|---|---|---|
| January 19, 2021 | 75,000 | $2.05 | 4.0 | January 19, 2031 |
| May 3, 2021 | 190,000 | $1.92 | 4.0 | May 3, 2031 |
| June 15, 2021 | 33,890 | $1.52 | 1.0 | June 15, 2031 |
| June 15, 2021 | 235,000 | $1.52 | 4.0 | June 15, 2031 |
| December 10, 2021 | 290,000 | $1.26 | 4.0 | December 10, 2031 |
| December 10, 2021 | 20,000 | $1.26 | 3.0 | December 10, 2031 |

During the year ended December 31, 2020, the Company granted the following options:

| Grant date | Number of options granted | Exercise price | Vesting period (in years) | Expiry date |
|---|---|---|---|---|
| January 6, 2020 | 56,770 | $0.01 | 1.0 | January 6, 2025 |
| January 6, 2020 | 56,770 | $0.05 | 1.0 | January 6, 2025 |
| June 15, 2020 | 51,904 | $0.02 | 5.0 | June 15, 2025 |
| June 22, 2020 | 32,440 | $0.48 | 5.0 | June 22, 2025 |
| December 29, 2020 | 2,820,848 | $2.18 | 4.0 | December 29, 2030 |
| December 29, 2020 | 42,373 | $2.18 | 1.0 | December 29, 2030 |

The fair value of each option granted for the year ended December 31, 2021 was estimated at the time of grant using the BSM with the following significant inputs:

| | Low | High |
|---|---|---|
| Exercise price | $2.05 | $1.26 |
| Share price | $1.25 | $2.24 |
| Risk-free interest rate | 0.32% | 0.74% |
| Expected term | 2 years | 5 years |
| Volatility | 63% | 71% |
| Expected dividend | $0 | $0 |
| Grant date fair value | $0.59 | $1.26 |

The fair value of each option granted for the year ended December 31, 2020 was estimated at the time of grant using the BSM with the following range of significant inputs:

| | Low | High |
|---|---|---|
| Exercise price | $2.18 | $0.01 |
| Share price | $0.44 | $2.18 |
| Risk-free interest rate | 0.30% | 0.43% |
| Expected term | 2 years | 5 years |
| Volatility | 60% | 72% |
| Expected dividend | $0 | $0 |
| Grant date fair value | $0.70 | $1.43 |

(Expressed in Canadian Dollars except shares amounts or stated otherwise)

### g) Share options outstanding at the end of the period

The following table summarises information concerning outstanding and exercisable options of the Company:

| Expiry date | Options outstanding | Options exercisable | Exercise price $ | Avg. remaining contractual length (years) |
|---|---|---|---|---|
| February 2, 2023 | 108,673 | 53,526 | 0.47 | 1.09 |
| April 1, 2023 | 64,880 | 32,440 | 0.47 | 1.25 |
| December 1, 2023 | 45,320 | 12,880 | 0.05 | 1.92 |
| January 10, 2029 | 59,504 | 59,504 | 0.46 | 7.03 |
| June 15, 2030 | 51,904 | 12,976 | 0.05 | 8.46 |
| June 22, 2030 | 32,440 | 8,110 | 0.48 | 8.48 |
| December 29, 2030 | 2,550,848 | 617,712 | 2.18 | 9.00 |
| January 19, 2031 | 75,000 | - | 2.05 | 9.06 |
| May 3, 2031 | 160,000 | - | 1.92 | 9.34 |
| June 15, 2031 | 268,890 | 16,944 | 1.52 | 9.46 |
| December 10, 2031 | 310,000 | 5,000 | 1.26 | 9.95 |

## 13. Related party transactions

Key management compensation

Key management personnel are those persons having authority and responsibility for planning, directing, and controlling the activities of the Company, directly or indirectly. Key management personnel includes the Company's Board of Directors and members of the executive team.

| | For the years ended December 31, 2021 $ | December 31, 2020 $ |
|---|---|---|
| Salaries, wages, and benefits | 1,104,045 | 1,231,532 |
| Subcontractor and consulting fees | 483,834 | 36,855 |
| Stock-based compensation | 2,068,245 | 67,985 |
| **Total** | **3,656,125** | **1,336,372** |

Due to shareholder

The Company had loans payable to a shareholder in the amount of $4,497,969 as at December 31, 2019. In July 2020, Wishpond entered into a debt conversion agreement (the "Debt Conversion Agreement") to convert this shareholder loan subject to the successful completion of the Transaction.

On November 24, 2020, the shareholder loan was fully converted into 6,005,301 common shares in accordance with the terms of the Debt Conversion Agreement.

A loss on the settlement of the shareholder loan of $21,952 was recognised in contributed surplus for the year ended December 31, 2020.

## 14. Credit facility

On September 10, 2021, the Company terminated both of its credit facilities with a major Canadian bank in the aggregate amount of $600,000 without incurring any interest or termination fees.

On September 29, 2021, the Company entered into a new credit facility pursuant to the terms of a credit agreement entered into between the Company and a major Canadian bank that provides for a $6,000,000 secured revolving operating line based on recurring revenue of the Company. The interest rate on the credit facility is based on the Canadian Prime Rate plus 2.0% per annum.

The Company incurred $160,160 in initial setup fees on the credit facility during the year ended December 31, 2021.

## 15. Capital management

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to provide returns for shareholders and to maintain a flexible capital structure which optimises the costs of capital under acceptable risks. In the management of capital, the Company includes the components of shareholders' equity.

The Company manages the capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust capital structure, the Company may attempt to: issue new shares, issue debt, acquire or dispose of assets or adjust the amount of cash and investments. The Company is not subject to any externally imposed capital requirements. Historically, the Company has not paid dividends.

## 16. Financial instruments

Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The Company's credit risks relate to its cash, short-term investments, and accounts receivable. The Company's cash and short-term investments are deposited with a Canadian chartered bank and as a result management believes the risk of loss on these items to be remote. The Company establishes an estimate for expected credit losses on accounts receivable if it is determined that all or part of the outstanding balance is uncollectable. Collectability is reviewed regularly and an estimate is established or adjusted, as necessary.

Furthermore, the Company does not typically extend credit to its customers and customers are required to remit payment when invoices are provisioned. Furthermore, customers are required to provide a pre-authorised method of payment upon entering into a service contract. If the customer fails to remit payment for a period exceeding 14 days, the Company puts services on hold until payment is received.

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company's management believes its existing working capital coupled with the cash that will be generated from its operations and additional financing activities will enable the Company to meet its financial obligations. Furthermore, the Company has a planning and budgeting process in place to help determine the funds required to support the Company's normal operating requirements on an ongoing basis.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. As of December 31, 2021, the Company has no interest-bearing debt outstanding.

Foreign currency risk

As a significant portion of the Company's sales are to customers located in the United States and are thus incurred in US Dollars, the Company is exposed to foreign currency fluctuations.

## 17. Lease liability

The Company had a lease contract for an office space located at 1500 West Georgia Street, Vancouver B.C. that ended on December 31, 2021.

Set out below are the carrying amounts of lease liabilities and the movements during the periods:

| | **December 31, 2020** |
|---|---|
| | **$** |
| As at January 1, 2020 | 549,690 |
| Accretion of interest | 22,632 |
| Payments | (228,029) |
| **As at December 31, 2020** | **344,293** |

| | **December 31, 2021** |
|---|---|
| | **$** |
| As at January 1, 2021 | 344,293 |
| Accretion of interest | 9,033 |
| Payments | (353,326) |
| **As at December 31, 2021** | **-** |

The following are the amounts recognised in the statements of loss and comprehensive loss:

| | **For the years ended** | |
|---|---|---|
| | **December 31, 2021** | **December 31, 2020** |
| | **$** | **$** |
| Depreciation expense of right-of-use assets | 257,414 | 257,424 |
| Interest expense on lease liabilities | 9,033 | 22,632 |
| **Total** | **266,447** | **280,056** |

Lease deposits:

The Company has $32,917 of lease deposits recoverable from landlords as at December 31, 2021, all of which has been included in other assets.

## 18. Geographic information

Geographic sales based on customer location are detailed as follows:

(Expressed in Canadian Dollars except shares amounts or stated otherwise)

| | For the years ended December 31, 2021 $ | December 31, 2020 $ |
|---|---|---|
| United States | 11,541,630 | 6,168,157 |
| Canada | 1,423,865 | 780,831 |
| Other | 1,795,780 | 933,030 |
| **Total** | **14,761,275** | **7,882,018** |

For the year ended December 31, 2021, the Company had one major customer that accounted for $2,646,807 or 18% of total revenues recognized ($1,935,875 or 25% of total revenues recognized for year ended December 31, 2020). The Company had no other customers that accounted for more than 10% of total revenues for the years ended December 31, 2021 or December 31, 2020.

## 19. Contingencies

Management believes that adequate provisions have been recorded on the consolidated statements of financial position and statements of loss and comprehensive loss where required. Although it is not always possible to estimate the extent of potential costs, if any, management believes that the ultimate resolution of such contingencies will not have a material adverse impact on the results of operations, financial position or liquidity of the Company.

## 20. Events after the reporting period

M&A

On April 1, 2022, the Company completed its acquisition of certain assets and specific liabilities of Viral Loops Ltd. ("Viral Loops") through the Company's wholly owned subsidiary, Viral Loops Technologies Inc. Based out of Athens, Greece, Viral Loops is a SaaS company which helps its customers design, create and manage campaigns that result in higher referral visits and revenue for their eCommerce merchants.

In consideration for the Viral Loops acquisition, Wishpond provided a cash payment with a fair value of $1,726,656 and a one-year performance earn-out that may be paid in cash or by the issuance of the Company's shares, at the sole discretion of the Company. The one-year earn-out will be based on the projected revenue of the business and is payable on a quarterly basis. Any shares will be issued at a deemed price per share equal to the 10-day VWAP of the Shares on the Exchange on the payment date. Any shares issued in connection with the acquisition will be subject to a restricted period of four months and one day from the date of issuance.

Normal course issuer bid

Between January 1, 2022 and April 14, 2022, the Company purchased 130,100 common shares for cancellation in conjunction with the NCIB for aggregate consideration of approximately $148,232.

Movement in share options

On January 19, 2022, the Company granted 200,000 stock options to employees of the Company with an exercise price of $1.26 and expiration date of January 19, 2032.