wishpond

Wishpond Technologies Ltd.
Condensed Interim Consolidated Financial Statements

Three and Nine Months Ended September 30, 2021

Unaudited - Expressed in Canadian Dollars

NOTICE OF NO AUDITOR REVIEW OF INTERIM FINANCIAL STATEMENTS

Under National Instrument 51-102, Part 4, subsubsection 4.3(3)(a), if an auditor has not performed a review of the interim financial statements, they must be accompanied by a notice indicating that the financial statements have not been reviewed by an auditor.

The accompanying condensed interim consolidated financial statements of Wishpond Technologies Ltd. have been prepared by and are the responsibility of the Company's management.

The Company's independent auditor has not performed an audit or review of these condensed interim financial statements in accordance with standards established by the Canadian Institute of Chartered Professional Accountants of Canada for a review of interim consolidated financial statements by the entity's auditor.

Vancouver, British Columbia

November 22, 2021

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

	For the three months ended		For the nine months ended	
	September 30, 2021	September 30, 2020	September 30, 2021	September 30, 2020
	$	$	$	$
Revenue (Note 16)	3,976,965	2,095,933	10,094,422	5,627,247
Cost of sales	1,216,256	576,886	3,298,634	1,853,623
Gross profit	**2,760,709**	**1,519,047**	**6,795,788**	**3,773,624**
Operating expenses:				
Salaries, wages, employee benefits (Note 11)	758,626	486,412	2,205,030	1,297,235
Stock-based compensation (Note 10 & 11)	589,266	23,220	1,724,819	82,703
Subcontractor expenses	557,269	222,770	1,406,205	534,036
Sales and marketing	481,649	396,768	1,667,849	876,602
Office and general	362,012	91,223	787,952	267,380
Software subscriptions	245,269	122,560	600,808	300,868
Depreciation and amortization	228,459	97,648	587,479	288,671
Professional fees	127,619	942	508,420	55,595
Property tax	23,943	22,719	54,008	68,157
Total operating expenses	3,374,112	1,464,262	9,542,570	3,771,247
Operating income (loss)	**(613,403)**	**54,785**	**(2,746,782)**	**2,377**
Other expenses (income)				
Remeasurement of contingent consideration liability (Note 4)	458,605	-	693,538	-
Other expenditures (income)	141,883	(5,912)	258,583	48,017
Earn-out remuneration (Note 4)	43,528	-	95,794	-
Foreign currency losses (gains)	22,988	(33,845)	31,930	(11,458)
Interest expense	1,442	6,461	7,546	21,116
Acquisition related expenses	-	-	160,203	-
Income (Loss) before income taxes	**(1,281,849)**	**88,081**	**(3,994,376)**	**(55,298)**
Income tax expense (recovery)	-	-	-	-
Net income (loss) and comprehensive income (loss) for the period	**(1,281,849)**	**88,081**	**(3,994,376)**	**(55,298)**
Weighted average number of common shares outstanding				
Basic and diluted	51,864,339	27,947,982	50,947,849	26,692,466
Income (Loss) per share – Basic and diluted	**$(0.02)**	**$0.00**	**$(0.08)**	**$0.00**

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

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

	As at September 30, 2021	As at December 31, 2020
	$	$
Assets		
Current		
Cash	7,758,720	7,305,546
Short-term investments	170,000	-
Accounts and other receivables (Note 6)	250,701	30,621
Prepaid expenses	254,485	287,783
Investment tax credit recoverable	234,840	234,840
Total current assets	**8,668,746**	**7,858,790**
Property and equipment (Note 8)	87,256	272,458
Intangible assets (Note 9)	8,779,836	893,869
Other assets (Note 15)	69,355	64,462
Total assets	**17,605,193**	**9,089,579**
Liabilities and shareholders' equity		
Liabilities		
Current		
Accounts payable and accrued liabilities (Note 7)	1,317,214	845,779
Deferred revenue	2,621,791	3,840,699
Contingent consideration liability (Note 4)	2,819,561	-
Current portion of lease liability (Note 15)	86,843	344,293
Total current liabilities	**6,845,409**	**5,030,771**
Deferred tax liability (Note 4)	588,840	-
Total liabilities	**7,434,249**	**5,030,771**
Shareholders' equity		
Share capital (Note 10)	19,233,038	11,062,775
Deficit	(11,426,572)	(7,404,719)
Contributed surplus	2,364,478	400,752
Total shareholders' equity	**10,170,944**	**4,058,808**
Total shareholders' equity and liabilities	**17,605,193**	**9,089,579**

Nature of operations and going concern (Note 1)
Events after the reporting period (Note 18)

Approved by the Directors:

"Ali Tajskandar" Director

"Olivier Vincent" Director

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

	Number of shares	Share capital	Deficit	Contributed surplus	Total Shareholder's equity (deficiency)
	#	$	$	$	$
Balance at January 1, 2020	**26,081,710**	**2,600**	**(5,189,226)**	**370,109**	**(4,816,517)**
Employee stock-based compensation	-	-	-	82,703	82,703
Stock options repurchased	-	-	-	(17,890)	(17,890)
Common shares issued from exercise of options	4,960,608	150,922	-	-	150,922
Net loss and comprehensive loss for the period	-	-	(55,298)	-	(55,298)
Balance at September 30, 2020	**31,042,318**	**153,522**	**(5,244,524)**	**434,922**	**(4,656,080)**
Balance at January 1, 2021	46,169,150	11,062,775	(7,404,719)	400,752	4,058,808
Employee stock based compensation	-	-	-	1,724,819	1,724,819
Common shares issued for bought deal financing, net of issuance costs	4,600,000	7,181,862	-	-	7,181,862
Compensation options 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	322,192	240,894	-	-	240,894
Common shares issued from exercise of options	144,457	68,017	-	(29,619)	38,398
Common shares purchased and cancelled (Note 10)	(63,500)	(53,805)	(27,477)	-	(81,282)
Net loss and comprehensive loss for the period	-	-	(3,994,376)	-	(3,994,376)
Balance at September 30, 2021	**51,835,687**	**19,233,038**	**(11,426,572)**	**2,364,478**	**10,170,944**

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

	For the three months ended		For the nine months ended	
	September 30, 2021	**September 30, 2020**	**September 30, 2021**	**September 30, 2020**
	$	$	$	$
Cash flows provided by (used in)				
Operating activities				
Cash receipts from customers	3,141,825	2,203,761	8,160,318	6,025,741
Cash paid to vendors and employees	(3,271,020)	(1,958,167)	(10,244,281)	(5,226,082)
Cash paid for bank service fees	(2,901)	(5,435)	(20,929)	(15,498)
Proceeds from investment tax credits	-	-	-	329,363
Realised foreign currency gains and losses	(2,123)	18,561	(32,231)	25,505
Net cash provided by (used in) operating activities	**(134,219)**	**258,720**	**(2,137,123)**	**1,139,029**
Investing activities				
Business acquisitions, net of cash acquired (Note 4)	(1,682,268)	-	(3,627,813)	-
Cash paid for earn-out consideration	(33,419)		(33,419)	
Purchases of short-term investments	(70,000)	-	(170,000)	-
Additions to equipment	-	(12,170)	(11,511)	(12,170)
Additions to intangible assets	(230,878)	(63,876)	(631,251)	(186,620)
Net cash used in investing activities	**(2,016,565)**	**(76,046)**	**(4,473,994)**	**(198,790)**
Financing activities				
Exercise of stock options	11,956	150,922	38,398	133,032
Exercise of warrants	2,850	-	240,894	-
Proceeds from the Offering, net of share issuance costs (Note 10)	-	-	7,181,862	-
Repayment of shareholder loans	-	-	-	(17,975)
Cash paid for common shares purchased and cancelled (Note 10)	(81,282)	-	(81,282)	-
Cash paid for credit facility initial setup fees	-	-	(43,400)	-
Cash paid for interest	(1,082)	(6,461)	(7,186)	(20,781)
Proceeds from debt financing, net of repayments	-	150,000	-	100,000
Cash paid for lease	(88,331)	(60,923)	(264,995)	(139,695)
Net cash provided by (used in) financing activities	**(155,889)**	**233,538**	**7,064,291**	**54,581**
Net increase (decrease) in cash	(2,306,673)	416,212	453,174	994,820
Cash - beginning of period	10,065,393	848,144	7,305,546	269,536
Cash - end of period	**7,758,720**	**1,264,356**	**7,758,720**	**1,264,356**

The accompanying notes are an integral part of these condensed interim 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 condensed interim 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 ("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. 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 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 the Company's 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.

These condensed interim consolidated financial statements have been prepared on a going concern basis, which assumes that the Company will be able to meet its obligations and continue its operations for the foreseeable future.

As of September 30, 2021, the Company had no debt service obligations, had cash of $7,758,720 and a credit facility that allows the Company to borrow up to $6,000,000 (Note 12). The Company incurred an operating loss of $2,746,782 and generated an operating income of $2,377 for the nine months ended September 30, 2021 and September 30, 2020, respectively. Net cash used in operating activities was $2,137,123 compared to net cash provided by operating activities of $1,139,029 for the nine months ended September 30, 2021 and September 30, 2020, respectively.

As a result, after considering all relevant information, including its actions completed to date and its future plans, 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 release of these condensed interim consolidated financial statements.

The estimates used by management in reaching this conclusion are based on information available as of the date these 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 condensed interim 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 condensed interim 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 our ability to continue as a going concern.

The Company's Board of Directors approved these condensed interim consolidated financial statements on November 22, 2021.

2. Basis of presentation

Statement of compliance

These condensed interim 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"). These condensed interim consolidated financial statements do not contain all the disclosures required in annual financial statements and should be read in conjunction with the audited annual financial statements of the Company for the year ended December 31, 2020, prepared in accordance with IFRS.

The preparation of 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 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 condensed interim consolidated financial statements are disclosed in Note 5.

Basis of consolidation

The condensed interim consolidated financial statements of Wishpond Technologies Ltd. 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.

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%

The condensed interim 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 preparation of financial data is based on accounting principles and practices consistent with those used in the preparation of the December 31, 2020 annual consolidated financial statements.

a) Basis of measurement

These condensed interim 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 functional currency of the Company and its subsidiaries is the Canadian Dollar. The determination of functional currency is based on the primary economic environment in which the entities operate.

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

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 statement 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.

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

e) Stock-based compensation

The Company has an incentive share option plan as described in Note 10. 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 expenses is measured at the fair value of goods and services received except where the fair value cannot be 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. If, and when, share options are ultimately exercised, the applicable amount of contributed surplus is transferred to share capital.

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, and ad spend. 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 and 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 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. The excess of the consideration over the fair value of the net identifiable assets and liabilities acquired is recorded as goodwill. Any gain on a bargain purchase is recorded in profit or loss immediately. Acquisition related costs are expensed as incurred, except if they relate to the issue of debt or equity securities. Any goodwill that rises 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 amortised on a straight-line basis over the estimated useful life of 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 is 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 1) 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 assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

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 cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received.

Right-of-use assets are 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 is approximately 4 years.

The right-of-use assets are also subject to impairment assessments.

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. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees.

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. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g. changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

o) Impairment

The Company's tangible and intangible assets are reviewed for an indication of impairment at each statement of financial position date. If indication of impairment exists, the asset's recoverable amount is estimated.

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.

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

p) Income (Loss) per share

Basic income (loss) per share is computed by dividing net income (loss) available to common shareholders by the weighted average number of shares outstanding during the reporting period. Diluted income (loss) per share is computed similar to basic income (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 income (loss) per share does not include the increase to weighted average shares, as the effect of including additional shares would be anti-dilutive.

4. 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 Media Corp., Invigo Media LLC, and EverGenius LLC, collectively referred to as the "Invigo Group". The acquisition was pursuant to the conditional terms of an Asset Purchase Agreement executed on December 21, 2020 between the Invigo Group, Wishpond, and Invigo Media Ltd. 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 *Business Combination* 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 preliminary 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:

	Preliminary $
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)
Deferred tax liability	(181,440)
Fair value of net assets acquired	**463,414**
Goodwill	**371,586**

The intangible assets recognized from the acquisition relate to customer relationships and software technology. The customer relationships and software technology are amortised 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.

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

The fair values assigned to intangible assets, goodwill and the deferred income tax liability were measured on a provisional basis and will be revised by the Company if additional information is received.

The Invigo Earn-out Payments constituted remuneration as defined by IFRS 3 *Business Combinations* and will be recorded as non-operating expense on the consolidated statement of loss and comprehensive loss. For the three and nine months ended September 30, 2021, $43,528 and $95,794 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 ("WishTech") completed its acquisition of all the outstanding and issued common shares of PersistIQ Inc. ("PersistIQ"). PersistIQ is a sales automation and communication platform to unify sales communication and workflow into one easy to use system. 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 approximately $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 preliminary 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:

	Preliminary
	$
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	(407,400)
Fair value of net assets acquired	**1,069,969**
Goodwill	**2,590,031**

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

The intangibles recognized from the acquisition relate to customer relationships and software technology. The customer relationships and software technology are amortised 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. The goodwill acquired is not deductible for tax purposes.

The fair values assigned to intangible assets, goodwill and the deferred income tax liability were measured on a provisional basis and will be revised by the Company if additional information is received.

The PersistIQ Earn-out Payments constituted consideration for the business combination as defined by IFRS 3 *Business Combinations* 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 September 30, 2021, the contingent consideration liability was remeasured to a fair value of $1,993,791, resulting in a remeasurement of contingent consideration liability of $458,605 and $693,538 being included in the consolidated statements of loss and comprehensive loss for the three and nine months ended September 30, 2021, 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 AtlasMind Inc. (doing business as "Brax.io"). The acquisition was pursuant to the conditional terms of an Asset Purchase Agreement executed on August 27, 2021 between Brax.io, Wishpond, and Brax.

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 did not meet the definition of a "Business" under IFRS 3 *Business Combinations*.

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 approximately $817,732 on the acquisition date based on the projected revenue of Brax (the "Brax Earn-out Payments"). 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 amortised on a straight-line basis over the estimated useful life of 7 years.

The Brax Earn-out Payments were recognized as a contingent earn-out payable on the date the assets are acquired. Consequently, movements in the fair value of contingent consideration shall be recognized in profit or loss. As of September 30, 2021, the contingent consideration was estimated to have a fair value of $825,770.

5. 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 assumptions 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.

Going concern
The Company has historically incurred losses and the Company's ability to execute its strategy by funding future working capital requirements requires judgment. Estimates and assumptions are continually evaluated and are based on historical experience and other factors, such as expectations of future events that are believed to be reasonable under the circumstance.

Investment tax credits recoverable
The Company accrues for investment tax credits expected to be recovered. This requires management's judgement and analysis on past claims, and the eligibility of current development costs as valid SR&ED expenditures.

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 assets acquired and liabilities and contingent liabilities incurred or assumed. Judgment is also required in determining what qualifies as part of consideration paid.

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

6. Accounts and other receivables

	September 30, 2021	December 31, 2020
	$	$
Accounts receivable	371,826	118,917
Allowance for doubtful accounts	(121,125)	(88,296)
Accounts and other receivables	**250,701**	**30,621**

7. Accounts payable and accrued liabilities

	September 30, 2021	December 31, 2020
	$	$
Trade	588,642	534,560
Accrued Invigo earn-out payments	24,328	-
Other payables	559,545	162,628
Sales tax payable	144,699	148,591
Accounts payable and accrued liabilities	**1,317,214**	**845,779**

8. 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	11,511	-	-	11,511
As at September 30, 2021	**96,217**	**35,899**	**1,287,107**	**1,419,223**
Accumulated Depreciation				
As at January 1, 2021	69,662	35,899	1,029,693	1,135,254
Additions	3,645	-	193,068	196,713
As at September 30, 2021	**73,307**	**35,899**	**1,222,761**	**1,331,967**
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
Additions	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, 2020	**15,044**	**-**	**257,414**	**272,458**
As at September 30, 2021	**22,910**	**-**	**64,346**	**87,256**

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

9. Intangible assets

Cost	Deferred development costs $	Customer relationships $	Software technology $	Goodwill $	Total $
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	631,251	-	-	-	631,251
Acquired via business combinations	-	63,000	4,620,865	2,961,617	7,645,482
As at September 30, 2021	**2,132,055**	**63,000**	**4,620,865**	**2,961,617**	**9,777,537**
Accumulated Depreciation					
As at January 1, 2020	469,991	-	-	-	469,991
Amortization charge for the year	136,944	-	-	-	136,944
As at December 31, 2020	**606,935**	**-**	**-**	**-**	**606,935**
Amortization charge for the period	138,468	34,155	218,143	-	390,766
As at September 30, 2021	**745,403**	**34,155**	**218,143**	**-**	**997,701**
Net Book Value					
As at December 31, 2020	**893,869**	**-**	**-**	**-**	**893,869**
As at September 30, 2021	**1,386,652**	**28,845**	**4,402,722**	**2,961,617**	**8,779,836**

Additions to deferred development costs are net of investment tax credits.

10. 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 September 30, 2021, the issued share capital was comprised of 51,835,687 (December 31, 2020 - 46,169,150) common shares.

During the nine months ended September 30, 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 compensation options (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 the Offering Price, 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 Black-Scholes option pricing model 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.

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

ii. On March 18, 2021, the Company issued 663,388 common shares in consideration for the acquisition of PersistIQ (Note 4).

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 three and nine months ended September 30, 2021, 63,500 common shares were purchased under the NCIB for cancellation, for aggregate consideration of $81,282.

iv. During the nine months ended September 30, 2021, 144,457 options were exercised resulting in cash proceeds of $38,398 and the issuance of 144,457 common shares of the Company.

v. During the nine months ended September 30, 2021, 322,192 warrants were exercised resulting in cash proceeds of $240,894 and the issuance of 322,192 common shares of the Company.

c) Warrants

The changes in warrants during the nine months ended September 30, 2021 and year ended December 31, 2020 were as follows:

	September 30, 2021		**December 31, 2020**	
	Number of warrants	**Weighted average exercise price $**	**Number of warrants**	**Weighted average exercise price $**
Beginning 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	(319,609)	$0.75	-	-
Compensation options issued	313,766	$1.75	-	-
Balance outstanding, end of period	**465,764**	**$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.

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

Each of the Underwriters 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 nine months ended September 30, 2021 and year ended 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**	**$**	**1.80**
Granted	533,890		1.74
Exercised	(144,457)		0.26
Forfeited/expired	(348,063)		1.99
September 30, 2021	**3,562,830**	**$**	**1.87**

During the three months ended September 30, 2021 and September 30, 2020, the Company recognised $589,266 and $23,220, respectively, to stock-based compensation expense through to the consolidated statement of loss and comprehensive loss.

During the nine months ended September 30, 2021 and September 30, 2020, the Company recognised $1,724,819 and $82,703, respectively, to stock-based compensation expense through to the consolidated statement of loss and comprehensive loss.

f) Fair value of share options granted

During the nine months ended September 30, 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

During the nine months ended September 30, 2020, the Company granted the following options:

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

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

The fair value of each option granted for the nine months ended September 30, 2021 was estimated at the time of grant using the BSM with the following significant inputs:

	Low	High
Exercise price	$2.05	$1.52
Share price	$1.52	$2.24
Risk-free interest rate	0.32%	0.74%
Expected term	2 years	5 years
Volatility	66%	71%
Expected dividend	$0	$0
Grant date fair value	$0.59	$1.26

The fair value of each option granted for the nine months ended September 30, 2020 was estimated at the time of grant using the BSM with the following range of significant inputs:

	Low	High
Exercise price	$0.48	$0.01
Share price	$0.45	$0.45
Risk-free interest rate	0.30%	0.30%
Expected term	5 years	5 years
Volatility	60%	60%
Expected dividend	$0	$0
Grant date fair value	$0.22	$0.44

g) Share options outstanding at the end of the period

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

Period ended	Options outstanding	Options exercisable	Weighted avg. exercise price	Avg. exercise price of vested options	Avg. remaining contractual length (years)
September 30, 2021	3,562,830	265,972	$1.87	$0.43	8.64
September 30, 2020	423,341	314,229	$0.23	$0.03	3.29

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

11. 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 nine months ended	
	September 30, 2021	**September 30, 2020**
	$	**$**
Salaries, wages, and benefits	847,400	846,946
Consulting fees	476,358	-
Stock-based compensation	1,312,229	52,389
Total	**2,635,987**	**899,335**

12. Credit facility

As of December 31, 2019, the Company had a credit facility with a major Canadian bank in the amount of $100,000. In April 2020, the Company obtained an additional credit facility from the same Canadian bank in the amount of $500,000. On September 10, 2021, the Company terminated both credit facilities 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. As of September 30, 2021, the credit facility remained undrawn and was fully available to the Company.

13. 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 and shareholder loans.

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.

14. 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 and accounts receivable. The Company's cash is deposited with a Canadian chartered bank and as a result management believes the risk of loss on this item to be remote. Management believes that the credit risk on its accounts receivable is limited as the amounts are expected to be collected in the Company's next operating cycle.

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 coupled with 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 September 30, 2021, the Company has no interest-bearing debt.

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.

15. Lease liability

The Company has a lease contract for an office space, located at 1500 West Georgia Street, Vancouver B.C. The remaining lease term at September 30, 2021 is 3 months.

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**
Current	344,293

	September 30, 2021
	$
As at January 1, 2021	**344,293**
Accretion of interest	7,546
Payments	(264,996)
As at September 30, 2021	**86,843**
Current	86,843

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

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

	For the nine months ended September 30, 2021	September 30, 2020
	$	$
Depreciation expense of right-of-use assets	193,068	193,069
Interest expense on lease liabilities	7,546	17,979
Total	**200,614**	**211,048**

Lease deposits:

The Company has $64,462 of lease deposits recoverable from landlords as at September 30, 2021, all of which has been included in other assets.

16. Geographic information

The Company's assets are primarily located in Canada.

Geographic sales based on customer location are detailed as follows:

	Three months ended September 30, 2021	Three months ended September 30, 2020	Nine months ended September 30, 2021	Nine months ended September 30, 2020
	$	$	$	$
United States	2,901,610	1,422,598	7,535,281	3,648,110
Canada	498,946	300,567	1,207,656	778,267
Other	576,409	372,768	1,351,485	1,200,870
Total	**3,976,965**	**2,095,933**	**10,094,422**	**5,627,247**

For the nine months ended September 30, 2021, the Company had one major customer that accounted for $1,903,110 or 19% of total revenues recognized ($1,320,934 or 23% of total revenues recognized for nine months ended September 30, 2020). The Company had no other customers that accounted for more than 10% of total revenues for the nine months ended September 30, 2021 or September 30, 2020.

17. Contingencies

Management believes that adequate provisions have been recorded on the 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.

18. Events after the reporting period

Normal course issuer bid

Between October 1, 2021 and November 16, 2021, the Company purchased 62,900 common shares for cancellation at an average trade price of $1.21 per share in conjunction with the NCIB approved by the Exchange on June 7, 2021.