



Legible Inc.

CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

For the three months ended March 31, 2024, and 2023

(Expressed in Canadian dollars)



NOTICE TO READER

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

The accompanying unaudited condensed interim consolidated financial statements of the Company have been prepared by management and approved by the Audit Committee and Board of Directors of the Company.

The Company's independent auditors have not performed a review of these condensed interim consolidated financial statements in accordance with the standards established by the Chartered Professional Accountants of Canada for a review of condensed interim consolidated financial statements by an entity's auditors.

Legible Inc.

CONDENSED INTERIM CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

As at March 31, 2024

(Expressed in Canadian dollars)

		March 31, 2024 \$	(Audited) December 31, 2023 \$
Assets	Note		
Current assets			
Cash and cash equivalents		4,335	74,831
Amounts receivable		-	2,864
Prepaid expenses	3	31,182	63,427
Total current assets		35,517	141,122
Total assets		35,517	141,122
Liabilities			
Current liabilities			
Accounts payable and accrued liabilities		2,429,827	2,099,254
Credit facility	4	494,844	446,610
Loans payable	5	914,773	450,279
Due to related parties	8	38,928	11,130
Deferred revenue		537	1,152
Total current liabilities		3,878,909	3,008,425
Non-current liabilities			
Convertible debentures	6	105,943	99,933
Total non-current liabilities		105,943	99,933
Total liabilities		3,984,852	3,108,358
Shareholders' deficiency			
Share capital	7	20,956,541	20,956,541
Shares to be issued		120,000	120,000
Reserves	7	3,415,132	3,296,856
Equity component of convertible debentures		24,511	24,511
Deficit		(28,465,519)	(27,365,144)
Total shareholders' deficiency		(3,949,335)	(2,967,236)
Total liabilities and shareholders' deficiency		35,517	141,122

Basis of preparation and going concern (note 2)

Subsequent events (note 12)

Approved and authorized for issue by the Board of Directors on May 30, 2024:

"David Van Seters"

Director

"Shannon Kaustinen"

Director

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

Legible Inc.

CONDENSED INTERIM CONSOLIDATED STATEMENTS OF LOSS AND COMPREHENSIVE LOSS

For the Three Months Ended March 31, 2024, and 2023

(Expressed in Canadian dollars)

		Three months ended March 31, 2024 \$	Three months ended March 31, 2023 \$
	Note		
Revenue		19,949	10,583
Cost of sales		13,574	7,384
Gross margin		6,375	3,199
Operating expenses			
Amortization		-	5,449
Consultants		148,659	95,958
Directors' fees		-	18,000
General and administrative		68,364	87,258
Interest	4,5,6	137,226	116,270
Investor relations		33,535	95,026
Marketing		13,203	83,800
Professional fees		73,449	53,118
Salaries, wages, and benefits		347,175	395,109
Share-based compensation	7	118,276	212,348
Software development		96,345	60,351
Software subscriptions and hosting fees		63,295	61,508
Transfer agent and filing fees		7,223	7,707
Total operating expenses		1,106,750	1,291,902
Other income			
R&D tax recovery	4	-	(72,149)
Total other income		-	(72,149)
Net loss and comprehensive loss		1,100,375	1,216,554
Basic and diluted loss per share			
		0.01	0.01
Weighted average shares outstanding			
		133,407,722	86,443,291

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

Legible Inc.

CONDENSED INTERIM CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY

For the Three Months Ended March 31, 2024, and 2023

(Expressed in Canadian dollars)

	Share capital			Reserves		Deficit	Total
	Number of common shares	Share capital \$	Shares to be issued \$	Share options and compensatory warrants \$	Equity component of convertible debentures \$		
Balance, December 31, 2022	77,774,786	15,881,125	263,000	2,282,529	480,903	(22,567,407)	(3,659,850)
Issuance of shares (\$0.11)	3,982,727	438,100	(143,000)	-	-	-	295,100
Less: share-issuance costs	-	(3,520)	-	1,100	-	-	(2,420)
Obligation to issue shares	-	-	163,850	-	-	-	163,850
Issuance of shares regarding debt conversions	8,625,000	862,500	-	-	(305,670)	-	556,830
Share-based compensation	-	-	-	212,348	-	-	212,348
Net loss and comprehensive loss for the year	-	-	-	-	-	(1,216,554)	(1,216,554)
Balance, March 31, 2023	90,382,513	17,178,205	283,850	2,495,977	175,233	(23,783,961)	(3,650,696)
Balance, December 31, 2023	133,407,722	20,956,541	120,000	3,296,856	24,511	(27,365,144)	(2,967,236)
Share-based compensation	-	-	-	118,276	-	-	118,276
Net loss and comprehensive loss for the year	-	-	-	-	-	(1,100,375)	(1,110,375)
Balance, March 31, 2024	133,407,722	20,956,541	120,000	3,415,132	24,511	(28,465,519)	(3,949,335)

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

Legible Inc.

CONDENSED INTERIM CONSOLIDATED STATEMENTS OF CASHFLOWS

For the Three Months Ended March 31, 2024, and 2023

(Expressed in Canadian dollars)

	Three months Ended March 31, 2024 \$	Three months Ended March 31, 2023 \$
	Notes	
Cash flows from operating activities		
Net loss and comprehensive loss	(1,100,375)	(1,216,554)
Adjustments for non-cash items:		
Amortization	-	5,449
Interest	127,738	108,211
Share-based compensation	7 118,276	212,348
Changes in working capital		
Decrease (increase) in prepaid expenses	32,245	(110,721)
Decrease (increase) in amounts receivable	2,864	45,506
Increase (decrease) in due to related parties	27,798	18,000
Increase (decrease) in accounts payable	329,958	427,582
Net cash used in operating activities	(461,496)	(510,179)
Financing activities		
Proceeds from share issuances	-	440,950
Proceeds from loans	5 391,000	56,000
Reduction of loans	-	(15,000)
Credit facility repayments	-	(72,149)
Share issuance costs	-	(2,420)
Net cash provided from financing activities	391,000	407,381
Net change in cash during the period	(70,496)	(102,798)
Cash, beginning of period	74,831	150,439
Cash, end of March 31, 2024	4,335	47,641
<i>Non-cash investing & financing activities:</i>		
<i>Fair value of broker warrants</i>	-	1,100

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

Legible Inc.

Notes to the Condensed Interim Consolidated Financial Statements
For the Three Months Ended March 31, 2024, and 2023
(Expressed in Canadian Dollars)

1. CORPORATE INFORMATION

Legible is an e-Book entertainment and media company that has developed a browser-first, globally distributed reading and publishing platform that offers a sophisticated and immersive reading experience to anyone with an internet-enabled device anywhere in the world, while solving key challenges faced by readers, publishers, and authors. This includes providing planned global access to literature without the need for e-Readers and apps, improving the capacity to showcase marginalized voices, opening new device-agnostic markets, and innovating new digital publishing formats.

The Company and its wholly owned subsidiary, Legible Media Inc., were incorporated under the Alberta Business Corporations Act and the British Columbia Business Corporations Act, respectively. The head office is located at Suite 250 - 997 Seymour St. Vancouver, B.C. V6B 3M1. The Company's common shares are listed on the Canadian Securities Exchange ("CSE") under the symbol "READ" and trading commenced on December 1, 2021. On January 10, 2022, the Company's common shares commenced trading on the Frankfurt Stock Exchange (FSE) under the trading symbol DOT (D/zero/T). On January 25, 2023, the Company began trading on the U.S. based OTCQB Venture Market under the symbol LEBGF.

2. BASIS of PREPARATION and GOING CONCERN

Statement of compliance

These condensed interim consolidated financial statements, including comparatives, of the Company and its subsidiaries are prepared in accordance with IFRS Accounting Standards ("IFRS") as issued by the International Accounting Standards Board (IASB). Certain comparative figures have been reclassified to conform to the presentation used in the current period.

Going concern

These condensed interim consolidated financial statements have been prepared on a going concern basis, which contemplates that the Company will continue in operation for the foreseeable future and be able to realize its assets and discharge its liabilities and commitments in the normal course of business. To date, the Company has not achieved scalable commercialization of its products.

As of March 31, 2024, the Company has limited revenue and generated negative cash flows from operating activities. The continued operations of the Company depends on its ability to generate future cash flows, or obtain additional financing. The Company had a working capital deficit of \$3,843,392 (December 31, 2023 - \$2,867,303) and an accumulated deficit of \$28,465,519 (December 31, 2023 - \$27,365,144) since inception. Management has determined, in making its assessment, that these events or conditions create a material uncertainty that cast significant doubt upon the Company's ability to continue as a going concern.

The Company's ability to continue as a going concern depends on its ability to generate product sales, complete additional financings, and ultimately, attain and maintain profitable operations. While the Company is striving to act on these initiatives, there is no assurance that these and other strategies will be successful or sufficient to permit the Company to continue as a going concern.

Legible Inc.

Notes to the Condensed Interim Consolidated Financial Statements
For the Three Months Ended March 31, 2024, and 2023
(Expressed in Canadian Dollars)

Basis of preparation and going concern: (continued)

Going concern (continued)

These condensed interim consolidated financial statements do not reflect adjustments to the carrying values of the Company's assets and liabilities, revenue and expenses, and the statement of financial position that would be necessary if the going concern assumption was not appropriate. Such adjustments could be material.

Basis of measurement

These condensed interim consolidated financial statements have been prepared on a historical cost basis except for certain financial instruments which are measured at their fair value as explained in the accounting policies set out below. In addition, these condensed interim consolidated financial statements have been prepared using the accrual basis of accounting except for cash flow information.

Use of estimates and judgments

The preparation of these condensed interim consolidated financial statements in conformity with IFRS requires management to make judgments, estimates, and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, revenue, and expenses.

Estimates and assumptions are continuously evaluated and are based on management's experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. However, actual outcomes can differ from these estimates. Significant judgments made by management in the process of applying accounting policies that have the most significant effect on the amounts recognized in the financial statements include the application of the going concern assumption and the discount rates used in valuing the liability component of convertible debentures.

Principles of consolidation

These condensed interim consolidated financial statements include the accounts of the Company and its wholly owned subsidiary, Legible Media Inc. A subsidiary is an entity controlled by the Company. The Company controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of the subsidiary are included in the condensed interim consolidated financial statements from the date that control commences until the date that control ceases. All significant inter-company balances and transactions between the Company and its subsidiary have been eliminated in preparing the condensed interim consolidated financial statements.

Functional and presentation currency

These condensed interim financial statements are presented in Canadian dollars, which is the functional and reporting currency of the Company and its subsidiary.

Accounting standards issued but not yet effective

Accounting standards or amendments to existing accounting standards that have been issued but have future effective dates are either not applicable or are not expected to have a significant impact on the Company's condensed interim consolidated financial statements.

Legible Inc.

Notes to the Condensed Interim Consolidated Financial Statements
For the Three Months Ended March 31, 2024, and 2023
(Expressed in Canadian Dollars)

3. PREPAID EXPENSES

A breakdown of prepaid expenses for the three months ended March 31, 2024, and the year ended December 31, 2023, follows:

	March 31, 2024	December 31, 2023
Insurance	\$ -	\$ 25,000
Investor relations events	31,182	36,575
Software licensing	-	1,852
Total prepaid expenses	\$ 31,182	\$ 63,427

4. CREDIT FACILITY

On March 29, 2022, the Company entered into a credit facility arrangement, secured by a general security agreement, for principal of \$308,000, for a term of 12 months with a monthly interest rate of 1.5% per month compounded monthly. Since the Company was in breach of the loan agreement, additional monitoring fees of 2.0% per month compounded monthly along with administration fees of \$1,000 per month were assessed. As of March 31, 2024, repayment of \$nil (2022 - \$72,149) was made against the outstanding obligation. The Company accrued \$19,191 (2023 - \$15,872) in interest, \$nil (2023 - \$1,332) in administration costs, and \$29,043 (2023 - \$24,774) in monitoring fees for a total of \$48,234 (2023 - \$41,978). The total amount outstanding, as at March 31, 2024, was \$494,844 (2023 - \$388,074).

5. LOANS PAYABLE

A continuity schedule for loans payable for the three months ended March 31, 2024, and the year ended December 31, 2023, follows:

Loans payable - December 31, 2023	\$	450,279
Additions		391,000
Commitment fees		39,100
Accrued interest		34,394
Loans payable - March 31, 2024	\$	914,773

For the three months ended March 31, 2024, the Company received bridge loans for \$391,000, with a 10% commitment fee and 15% annual interest.

Legible Inc.

Notes to the Condensed Interim Consolidated Financial Statements
For the Three Months Ended March 31, 2024, and 2023
(Expressed in Canadian Dollars)

6. CONVERTIBLE DEBENTURES

A continuity schedule for convertible debentures for the three months ended March 31, 2024, and the year ended December 31, 2023, follows:

Convertible debentures - December 31, 2023	\$	99,933
Interest accretion		6,010
Convertible debentures - March 31, 2024	\$	105,943

7. SHARE CAPITAL

Authorized:

Common shares (class A voting) unlimited without par value

Issued and outstanding:

As at March 31, 2024, the Company had 133,407,722 issued and outstanding (2023 - 90,382,513) class A common shares. No class B common shares or preferred shares have been issued.

WARRANTS AND STOCK OPTIONS

Warrants

Continuity schedule of the Company's share purchase warrants issued and outstanding for the three months ended March 31, 2024, and the year ended December 31, 2023, was as follows:

	Number of warrants	Weighted average exercise price \$
Outstanding, December 31, 2023	50,617,796	0.16
Expired	(4,004,727)	0.15
Outstanding, March 31, 2024	46,613,069	0.16

Legible Inc.

Notes to the Condensed Interim Consolidated Financial Statements
For the Three Months Ended March 31, 2024, and 2023
(Expressed in Canadian Dollars)

Warrants and stock options: (continued)

Warrants (continued)

As at March 31, 2024, the following warrants were outstanding, and the weighted average remaining life of warrants outstanding was 0.42 years (December 31, 2023 - 0.58 years).

Exercise price \$	Expiry date	March 31, 2024
0.10	June 9, 2024	120,000 ⁽¹⁾
0.15	June 9, 2024	5,031,500 ⁽¹⁾
0.10	September 21, 2024	48,000 ⁽¹⁾
0.15	September 21, 2024	6,096,325 ⁽¹⁾
1.00	December 1, 2024	1,000,000 ⁽²⁾
1.25	December 1, 2024	500,000 ⁽²⁾
0.12	June 5, 2024	8,428,921 ⁽⁴⁾
0.12	July 13, 2024	7,088,753 ⁽⁴⁾
0.12	July 28, 2024	11,832,889 ⁽⁴⁾
0.12	October 20, 2024	6,466,681 ⁽⁴⁾
0.16		46,613,069

- (1) The purchase and broker warrants have a term of 2 years. If the volume weighted average trading price of the common shares is at least \$0.40 per share for a period of 5 consecutive trading days, the expiry date of the warrants may be accelerated by the Company to a date that is not less than 21 days after the date that notice of such acceleration is provided to the warrant holders.
- (2) Compensation warrants have a term of three years expiring on December 1, 2024. If the closing price of the common shares is \$1.80 or higher per share for a period of 10 consecutive trading days, the expiry date of the compensation warrants may be accelerated by the issuer to a date that is not less than 30 days after the date that notice of such acceleration is provided to warrant holders, which notice may be by way of general press release.
- (3) The purchase and broker warrants have a term of 1 year. If the volume weighted average trading price of the common shares is at least \$0.45 per share for a period of 5 consecutive trading days, the expiry date of the warrants may be accelerated by the Company to a date that is not less than 21 days after the date that notice of such acceleration is provided to the warrant holders.
- (4) The purchase and broker warrants have a term of 1 year. If the volume weighted average trading price of the common shares is at least \$0.25 per share for a period of 5 consecutive trading days, the expiry date of the warrants may be accelerated by the Company to a date that is not less than 21 days after the date that notice of such acceleration is provided to the warrant holders.

Legible Inc.

Notes to the Condensed Interim Consolidated Financial Statements
For the Three Months Ended March 31, 2024, and 2023
(Expressed in Canadian Dollars)

Warrants and stock options: (continued)

Warrants (continued)

Broker Warrants

The following assumptions were used for the Black-Scholes valuation of warrants issued during the three months ended March 31, 2024, and the year ended December 31, 2023:

	March 31, 2024	December 31, 2023
Weighted average risk-free interest rate	-	5.37%
Weighted average expected life of warrants	-	1.0 year
Weighted average share price	-	\$0.15
Weighted average exercise price	-	\$0.13
Weighted average expected stock price volatility	-	130%
Dividend rate	-	0.00%
Fair value per broker warrant issued	\$ -	\$0.08

For the three months ended March 31, 2024, the Company recorded share issuance costs of \$nil (2023 - \$1,100). The expected stock price volatility was developed using management's best estimate and analyzing industry comparables.

Stock Options

Continuity schedule of the Company's stock options warrants issued and outstanding for the three months ended March 31, 2024, and the year ended December 31, 2023, was as follows:

	Number of options	Weighted average exercise price \$
Outstanding, December 31, 2023	9,308,750	0.43
Granted	1,605,000	0.20
Forfeited	(250,000)	0.20
Outstanding, March 31, 2024	10,663,750	0.40

Legible Inc.

Notes to the Condensed Interim Consolidated Financial Statements
For the Three Months Ended March 31, 2024, and 2023
(Expressed in Canadian Dollars)

Warrants and stock options: (continued)

Stock options (continued)

As at March 31, 2024, the following stock options were outstanding and exercisable with an average remaining life of 8.16 years (December 31, 2023 - 8.92 years):

Exercise price per share option \$	Expiry date	Weighted average remaining life (years)	Number of options outstanding	Number of options exercisable
0.20	February 7, 2025	0.86	800,000	-
0.50	December 30, 2030	6.75	125,000	125,000
1.00	June 29, 2031	7.25	475,000	418,750
1.25	September 30, 2031	7.50	50,000	42,500
1.25	October 29, 2031	7.58	1,450,000	1,105,000
0.40	February 28, 2032	7.92	703,750	703,750
0.27	March 31, 2032	8.00	50,000	35,000
0.20	November 3, 2032	8.60	1,000,000	1,000,000
0.20	January 25, 2033	8.82	1,450,000	1,450,000
0.20	July 19, 2033	9.32	2,325,000	2,325,000
0.20	October 23, 2033	9.57	1,430,000	1,430,000
0.20	February 7, 2034	9.86	805,000	805,000
		8.16	10,663,750	9,440,000

The fair value of options recognized for the three months ended March 31, 2024, and the year ended December 31, 2023, has been estimated using the Black-Scholes valuation of stock options with the following assumptions:

	March 31, 2024	December 31, 2023
Weighted average risk-free interest rate	4.17%	3.4%
Weighted average expected life of options	3.76 years	6.5 years
Weighted average share price	\$0.11	\$0.13
Weighted average exercise price	\$0.20	\$0.20
Weighted average expected stock price volatility	128%	105%
Dividend rate	0.00%	0.00%
Fair value per option granted	\$0.06	\$0.15

For the three months ended March 31, 2024, a total of 1,605,000 (2023 - 1,550,000) stock options were issued. The Company recorded share-based compensation of \$118,276 (2023 - \$212,348) during the three months ended March 31, 2024. The expected stock price volatility was developed using management's best estimate and analyzing industry comparables.

Legible Inc.

Notes to the Condensed Interim Consolidated Financial Statements
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(Expressed in Canadian Dollars)

8. RELATED PARTY TRANSACTIONS

The Company had the following 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. Key management personnel consists of the Company's Board of Directors, corporate officers, and certain members of the senior executive team.

Transactions with related parties that are included in the condensed interim consolidated statement of loss and comprehensive loss for the three months ended March 31, 2024, and 2023, were made in the normal course of operations and are summarized as follows:

	March 31, 2024	March 31, 2023
	\$	\$
Directors' fees	-	18,000
Salaries, wages, and benefits	121,652	118,933
Share-based compensation	38,103	87,612
	159,755	224,545

As of March 31, 2024, \$38,928 (2023 - \$11,130) was outstanding to key management personnel regarding employment and consulting agreement commitments which were recorded in due to related parties. For the three months ended March 31, 2024, and 2023, the Board of Directors were issued nil (2023 - 163,636) shares for services at \$0.11 for \$18,000 that covered the period October to December 2022.

9. FINANCIAL RISK MANAGEMENT OBJECTIVES and POLICIES

The risk exposure arising from financial instruments is summarized as follows:

- a. Credit risk - The Company's financial assets are cash and amounts receivable. The maximum exposure to credit risk, as at the period end, is the carrying value of their financial assets. The Company holds its cash in a bank account with a highly rated Canadian financial institution, therefore, minimizing the Company's credit risk in respect to its cash.
- b. Liquidity risk - The Corporation's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when due. The Company monitors its forecasted and actual cash flows as well as any anticipated investing, and financing activities. The Company, currently, does not have recurring revenue, and is working diligently on securing additional funding to meet short-term financial obligations after considering its operating obligations and cash on hand (see note 2).

Legible Inc.

Notes to the Condensed Interim Consolidated Financial Statements
For the Three Months Ended March 31, 2024, and 2023
(Expressed in Canadian Dollars)

Financial risk management objectives and policies: (continued)

March 31, 2024	On-Demand \$
Accounts payable and accrued liabilities	2,429,827
Credit facility	494,844
Loans payable	914,773
Due to related parties	38,928

- c. Market risk - Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates, and equity prices will affect the Company's income or value of its holdings or financial instruments. The Company's major activities have been transacted in Canadian dollars for the three months ended March 31, 2024, and has minimal market risks.
- d. Concentration risk – The risk occurs when the revenue has a significant exposure to a particular customer that contributes more than 10% of total revenues. During the three months ended March 31, 2024, the Company had one major customer contributing more than 10% as listed below:

	March 31,	
	2024	2023
Customer A	39%	45%
Customer B	-	16%
Customer C	-	10%

10. CAPITAL RISK MANAGEMENT

The Company's primary objective when managing capital is to maintain sufficient resources and raise funding to support current and long-term operating needs. The ability to continue as a going concern is essential to the Company's goal of providing returns to shareholders and other stakeholders. The capital structure of the Company consists of shareholders' equity. The Company manages its capital structure based on the level of funds available to the Company to manage its operations and in light of economic conditions. The Company balances its overall capital through new share, or debt issuances, or by undertaking other activities as deemed appropriate in the circumstances. The Company is not subject to externally imposed capital requirements. There have been no significant changes in the Company's approach to capital management during the year. These objectives and strategies are reviewed on a continuous basis.

11. CONTINGENCIES

The Company may, from time to time, be subject to claims and legal proceedings brought against it in the normal course of business. Such matters are subject to many uncertainties. Management believes that adequate provisions have been made in the financial statements, and the ultimate resolution of such contingencies will not have a material adverse effect on the financial position of the Company.

Legible Inc.

Notes to the Condensed Interim Consolidated Financial Statements
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12. SUBSEQUENT EVENTS

In April 2024, 25,000 options were forfeited.

On April 26, 2024, the Company closed its non-brokered convertible debenture private placement for gross proceeds of \$1,103,262, which included \$527,262 in settlement of outstanding indebtedness. Legible issued 122.58 convertible debenture units and each debenture unit consists of: (i) a 14% unsecured convertible debenture of the Company in the principal amount of \$9,000; and (b) 100,000 common share purchase warrants. Legible paid \$2,880 in finder's fees and issued 32,000 warrants to qualified finders.

In April 2024, the Company received bridge loans for an aggregate of \$191,208, along with a short-term loan for \$21,000 from a director. The bridge loans have commitment fees of 10% and interest of 15% per annum, and the short-term loan has a nil commitment fee and does not bear interest. \$387,000 of outstanding bridge loans were converted on April 26 into the first closing of the convertible debenture private placement, and as of May 30, 2024, \$245,000 of bridge loans that were past due were partially repaid. \$11,000 of the outstanding short-term loan was repaid to a director.