SPETZ INC. (FORMERLY, DIGIMAX GLOBAL INC.)

MANAGEMENT'S DISCUSSION AND ANALYSIS

FOR THE THREE AND SIX MONTHS ENDED JUNE 30, 2023, AND JULY 31, 2022

(EXPRESSED IN THOUSANDS OF UNITED STATES DOLLARS)

Dated August 14, 2023

INTRODUCTION

The following is a discussion and analysis of the activities, results of operations and financial condition of Spetz Inc. (formerly Digimax Global Inc.) (the "Company") for the three and six months ended June 30, 2023, and the comparable period ended July 31, 2022.

The Company's registered office is 40 King St West Suite 5800, Toronto, ON M5H 3S1.

This Management's Discussion and Analysis ("MD&A") has been prepared with an effective date of August 14, 2023, and provides an update on matters discussed in, and should be read in conjunction with the Company's audited consolidated financial statements for the year ended, including the notes thereto, as at and for year ended December 31, 2022 (the "2022 Audited Financial Statements") and the unaudited condensed interim consolidated financial statements for the three and six months ended, including the notes thereto, as at and for the period ended June 30, 2023, (the "June 2023 Financial Statements"), which have been prepared using International Financial Reporting Standards ("IFRS"), available under the Company's profile at www.sedar.com. All amounts are in United States dollars unless otherwise specified. This MD&A contains forward looking statements that are based on certain estimates and assumptions and involve risks and uncertainties. Actual results may vary materially from management's expectations. See the "Caution Concerning Forward Looking Statements" section in this MD&A.

In this MD&A, reference is made to adjusted EBITDA, which is not a measure of financial performance under IFRS. For purposes of the MD&A, the Company calculates each as follows:

"Adjusted EBITDA" is equal to net income (loss) from continuing operations before interest, taxes and amortization, share-based compensation, and payments, research and development expenses, acquisition costs, realized loss on sale of digital currencies, loss on revaluation of derivative liabilities, foreign exchange income, interest earned on investments, and unrealized loss on investments. Management believes this measure provides useful information as it is a commonly used measure in the capital markets and as it is a close proxy for repeatable cash generated by (used for) operations.

These measures are not necessarily comparable to similarly titled measures used by other companies.

CHANGE IN PRESENTATION CURRENCY AND FISCAL YEAR END

As a result of the acquisition of Spetz Tech Ltd. as outlined in Note 5 of the 2022 Audited Financial Statements, the Company has elected to change its presentation currency from Canadian dollars to United States dollars. The change in presentation currency is a voluntary change which is accounted for retrospectively. In addition, the Company changed its year end to December from January to better align with the Spetz Tech Ltd. year ends.

CAUTIONARY NOTE REGARDING FORWARD LOOKING INFORMATION

This MD&A contains certain forward-looking information and forward-looking statements, as defined in applicable securities laws (collectively referred to herein as "forward-looking statements"). These statements relate to future events or the Corporation's future performance. All statements other than statements of historical fact are forward-looking statements. Often, but not always, forward-looking statements can be identified by the use of words such as "plans", "expects", "is expected", "budget", "scheduled", "estimates", "continues", "forecasts", "projects", "predicts", "intends", "anticipates" or "believes", or variations of, or the negatives of, such words and phrases, or state that certain actions, events or results "may", "could", "would", "should", "might" or "will" be taken, occur or be achieved. Forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause actual results to differ materially from those anticipated in such forward-looking statements. The forward-looking statements in this MD&A speak only as of the date of this MD&A or as of the date specified in such statement.

Inherent in forward-looking statements are risks, uncertainties, and other factors beyond the Corporation's ability to predict or control. Please also make reference to those risk factors referenced in the "Risk and Factors" section below. Readers are cautioned that such risk factors, uncertainties, and other factors are not exhaustive. Actual results and developments are likely to differ, and may differ materially, from those expressed or implied by the forward-looking statements contained in this MD&A.

Forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause actual results to differ materially from those anticipated in such forward-looking statements. The forward-looking statements in this MD&A speak only as of the date of this MD&A or as of the date specified in such statement. Specifically, this MD&A includes, but is not limited to, forward-looking statements regarding: the Corporation's ability to meet its working capital needs at the current level for the next twelve-month period; management's outlook regarding future trends; sensitivity analysis on financial instruments, which may vary from amounts disclosed; and general business and economic conditions.

All forward-looking statements herein are qualified by this cautionary statement. Accordingly, readers should not place undue reliance on forward-looking statements. The Corporation undertakes no obligation to update publicly or otherwise revise any forward-looking statements, whether as a result of new information or future events or otherwise, except as may be required by law. If the Corporation does update one or more forward-looking statements, no inference should be drawn that it will make additional updates with respect to those or other forward-looking statements, unless required by law.

DESCRIPTION OF BUSINESS

The Company was incorporated on December 11, 1998, under the laws of the Province of Ontario, Canada.

The Company is listed on the Canadian Securities Exchange ("**CSE**") under the symbol "SPTZ" (formerly "DIGI"). The Company is a multinational technology company that operates Spetz, a global online, AI-powered marketplace platform that dynamically connects consumers to nearby top-rated service providers in around 30 seconds. Spetz operates already in the United Kingdom, Australia and Israel. On December 5, 2022 the Company launched in the United States, and opened the two Spetz applications for both sides of the market; one for consumers and one for service providers. In addition, the Company released its applications on both, the App Store and Google Play Store.

On November 28, 2022, the Company held its annual and special meeting of shareholders to ratify various matters, which included the name change of the Company to Spetz Inc., the appointment of Yossi Nevo, Ofir Friedman and Bhavuk Kaul to the board.

History of Spetz

The Spetz App was officially launched by Spetz Target in Israel in 2018 and was subsequently launched in the United Kingdom in 2020 and Australia in 2021. Total revenue generated from the Spetz App has expanded from US$648,000 in 2018 to US$2.9 million in 2021. The Spetz App's technology platform was developed over 10 years prior to its official launch in 2018. Prior to the Transaction, Spetz Target had raised funding of more than US$5 million from founders, private investors, and over 1,600 crowdfunding investors.

During its decade of development, Spetz Target created multiple Beta models of both SaaS platforms, as well as: (i) an integrated multi-currency billing and payment system; (ii) a communication platform that allows service providers and consumers to communicate seamlessly and nearly immediately after a consumer call; (iii) a customized unique service provider rating system, which allows the platform to operate while integrating "Crowd Wisdom" into its algorithm; and (iv) an ability to handle millions of records on a real-time basis around the world.

GOING CONCERN AND EARLY STAGE CORPORATION

As at June 30, 2023, the Company had a working capital deficiency of $2,339,000 (December 31, 2022 - $1,291,000), had not yet achieved profitable operations, had accumulated losses of $28,568,000 (December 31, 2022 - $26,849,000), and currently expects to incur further losses in the development of its business.

The Company has $18,000 of cash at June 30, 2023, the Company has yet achieved positive cashflow from operations, therefore there is no assurance that the operations of the Company and any future operations will be successful and profitable. These conditions raise material uncertainties which casts significant doubt as to the use of the going concern assumption in these financial statements

The June 2023 Financial Statements have been prepared on the basis of accounting principles applicable to a going concern, which assumes that the Company will continue its operations for the foreseeable future and will be able to realize its assets and discharge its liabilities in the normal course of operations as they come due. In assessing whether the going concern assumption is appropriate, management takes into account all available information about the future, which is at least, but is not limited to, twelve months from the end of the reporting period. Management is aware, in making its assessment, of material uncertainties related to events or conditions that cast significant doubt upon the Company's ability to continue as a going concern.

HIGHLIGHTS

Acquisition of Spetz Tech Ltd.

On August 16, 2022, the Company announced the completion of the previously announced acquisition of Spetz Tech Ltd.(“**Spetz**”) via a definitive agreement to acquire all of the issued and outstanding shares of Israel-based Spetz, a technology company which has developed artificial intelligence (“AI”) software to operate a revolutionary and fast-growing mobile application that connects consumers to available, top-rated tradespeople, service providers and professionals in their area immediately or at any schedule time (the “Transaction”).

Pursuant to the Transaction, the Company issued 230,146,518 common shares in consideration for all of the issued and outstanding shares of Spetz. In addition, the Company issued 19,531,771 restricted stock units with an exercise price of $0.05 per common share.

In connection with the Transaction, the Company and Spetz have agreed to pay a finder’s Fee to a certain arm’s length party (the “**Finder’s Fee”**). The Finder’s Fee was comprised of 4,000,000 common shares of the Company with a fair value of $93,000.

Cash and cash equivalents	$	8
Other Receivables		27
Restricted deposits		60
Receivables		383
Property,plant and equipment		39
Intangible assets		
Customer relationships		732
Brands		339
Technology		2,173
Non-Complete		100
Goodwill		6,079
Short term bank credit		(298)
Other payables		(523)
Trade Payable		(558)
Deferred revenue		(335)
Related party loan		(424)
Long term loans		(43)
Employee benefit liabilities		(41)
Deferred income tax liability		(886)
Fair value of net assets acquired	**$**	**6,832**

Fair value of consideration paid:		
Cash	$	1,010
Common shares		5,367
RSUs		455
	$	6,832

Goodwill recognized on the acquisition of Spetz represents the excess purchase price paid by the Company over the fair value of net tangible and intangible assts identified. Goodwill is primarily related to the opportunities to grow the Company's AI strategy and the synergies from the acquisition of Spetz. Further, the Company obtains access to Spetz ongoing operations in Israel, Australia and United Kingdom.

The Company expensed $253,000 in connection with the acquisition of Spetz, which represents $160,000 in legal and accounting costs and $93,000 representing the fair value of the 4,000,000 shares issued as a finder's fee.

Subsequent to the completion of the acquisition of Spetz, the Company announced it would continue to right size the Company's operations and the creation of a new business plan that will allow the Company to focus its efforts on continuing to grow revenue and margins exclusively in the Spetz business of home and family services on a global basis.

As a result of this business decision, the Company has classified the assets, liabilities and operating costs of Digimax former business related to its Cryptohawk.ai application and related services as assets held for sale, liabilities held for sale and discontinued operations.

On November 30, 2022, the Company announced the resignation of Chris Carl and Thierry Hubert as Chief Executive Officer ("**CEO**") and Chief Technology Officer ("**CTO**"), respectively, and the appointment of Yossi Nevo as CEO, Yoav Sivan as CTO, and Ofir Friedman as Chief Marketing Officer ("**CMO**").

Convertible Debenture

The Company closed on February 1, 2023, a private placement of $450,000 (CAD$600,000) of secured debentures, issued at a price of CAD$1,000 per debenture with a term of nine months and due by October 31, 2023.

The major terms of the debentures are as follows:

I. The principal amount bears interest at a rate of 12% per annum. Interest was calculated from the issue date and accrued quarterly in cash on the last business day of each calendar quarter.

II. The debentures are convertible into common shares of the Company at a conversion price, subject to adjustments, of $0.05 per share, and will mature nine months from the date of issuance. The Company will have the right to prepay or redeem a part or the entire principal amount of the convertible debentures plus any accrued and unpaid interest.

III. The Company also has the right to force the conversion of all of the principal amount of the then outstanding convertible debentures at the conversion price upon giving the debenture holders not less than 30 days advance written notice, should the volume weighted average trading price of the shares be greater than $0.12 per share for the preceding 15 consecutive trading days.

IV. The convertible debentures are secured by way of a general security agreement made in favor of a collateral agent acting as agent for all of the holders of the debentures, granting a security interest in substantially all of the Company's assets. The Company will have the right to prepay any or part of the convertible debentures at any time prior to the maturity date by paying the principal amount of the convertible debentures.

V. On closing, the Company issued to the purchasers of the convertible debentures 33,333.333 share purchase warrant for each Debenture unit purchased, or 20,000,000 warrants in total. The warrants are exercisable for a period of three years from issuance into shares of the Company with each warrant entitling the holder thereof to acquire one share at an exercise price of $0.05 per share.

As a result of the contractual terms that may result in a potential adjustment to the debenture conversion price as the Company's functional and reporting currency is United States dollars and the conversion option noted above is in Canadian dollars, the conversion feature did not meet the equity classification. In failing the equity classification, the conversion feature has been accounted for as derivative liabilities. The effect is that the convertible debenture host debt instrument has been accounted for at amortized cost, with the derivative liabilities being measured at fair value with changes in value being recorded in profit or loss. In addition to the above, the prepayment option represents an embedded derivative liability. The prepayment option had a fair value of zero due to probability of the meeting the price hurdle of $0.12 before maturity of the convertible debenture.

As a result of the above, the Company was required to first fair value the conversion feature at fair value as at February 1, 2023 and the residual was allocated to the host debt instrument. At each reporting date, the debenture portion gets accreted towards its face value and derivative liabilities are revalued.

The following table reflects the continuity of the components of the convertible debentures and derivative liabilities as at June 30, 2023:

	Convertible debenture	Derivative liabilty: Conversion feature	Derivative liability: Share purchase warrants	Derivative liability: Total	Total
Balance at January 1, 2023	$ -	$ -	$ -	$ -	$ -
Fair value on issuance on February 1, 2023	60	-	390	390	450
Transaction costs	(12)	-	-	-	(12)
Interest and accretion	105	-	-	-	105
Foreign exchange adjustment	1	-	3	3	4
Revaluation	-	-	(317)	(317)	(317)
Balance at June 30, 2023	**154**	**-**	**76**	**76**	**230**

Management used a barrier option pricing model to value the conversion feature – derivative liability and a Monte Carlo simulation model to value the share purchase warrant at inception and as at February 1, 2023. Both derivatives were valued using a barrier option pricing model June 30, 2023. The following assumptions were used in the valuation models:

	Derivative liability: Share purchase warrants		
	February 1, 2023	**March 31, 2023**	**June 30, 2023**
Risk free rate	4.25%	3.79%	4.47%
Volatility	181%	211%	291%
Share price	$ 0.03	$ 0.015	$ 0.005

Promissory Note

On May 1, 2023, the Company announced it had entered into a secured, non-convertible promissory note for gross proceeds of $80,000 (CAD$100,000) expiring in 90 days bears interest at a rate of 12% per annum from the date of issuance. The Company has negotiated an extension on the expiry of the promissory note to October 31, 2023.

On May 29, 2023, the Company announced it had entered into a secured, non-convertible promissory note for gross proceeds of $100,000 expiring in 90 days bears interest at a rate of 12% per annum from the date of issuance.

MADA Amendment

On March 28, 2023, the Company entered into an amending agreement (the "Amendment") with respect to an unsecured, convertible note, dated December 29, 2021 (the "Note"), through which the Company had invested $250,000 (the "Principal Amount") into MADA Analytics Ltd. ("MADA"). As per the terms of the Note, MADA had agreed to pay interest on the Principal Amount at a rate of 5% per annum to the Company. The Principal Amount, including any interest accrued thereon, was due and had become mature on December 29, 2022. Pursuant to the Amendment, the Company and MADA have agreed to an extension of the maturity date, to allow for the repayment of the Principal Amount by MADA in ten (10) quarterly installments to the Company, in amounts ranging from $20,000 to $30,000. In addition to the foregoing, as per the terms of the Amendment, interest shall accrue on the Principal Amount at a rate of 8% per annum from the date of the Amendment. At June 30, 2023, the Company recognized a $25,000 gain on repayment of its investment in MADA as discontinued which was previously written off at December 31, 2022.

OUTLOOK AND PLANS

The Company has transitioned away from its AI solutions such as Cryptohawk.ai and Coindrop.pro-solutions and evolved into focusing all of the Company's resources and creation of a new business plan that will allow the Company to focus its efforts on continuing to grow revenue and margins exclusively in the Spetz business of home and family services on a global basis.

As the Spetz division is not currently cashflow independent and therefore not considered cash generating units and as such the Company continues to report them as one operating segment.

OVERALL FINANCIAL PERFORMANCE

(Expressed in thousands of United States dollars, except for per share amounts)

For the periods	Six months ended June 30, 2023	Six months ended July 31, 2022 (restated)	Year ended December 31, 2022 [2]	Fiscal 2022 (restated)
Revenue	$ 1,098	$ -	$ 997	$ -
Total Expenses	(2,870)	(855)	(4,009)	(5,159)
Net loss - continued operations	(1,744)	(769)	(4,814)	(4,868)
Gain/(Loss) - discontinued operations	25	(1,062)	(6,232)	(7,467)
Comprehensive loss for the period	(1,832)	(2,424)	(10,868)	(11,730)
Adjusted EBITDA[1]	(889)	(348)	(1,493)	(3,932)
Loss per share- continued operations	(0.00)	(0.00)	(0.01)	(0.02)
Loss per share - discontinued operations	0.00	(0.00)	(0.02)	(0.03)
Current assets	665	8,910	1,003	11,472
Total assets	8,274	8,965	9,188	11,547
Current liabilities	3,004	100	2,294	536
Total liabilities	3,046	100	2,351	575
Shareholders equity	$ 5,228	$ 8,865	$ 6,837	$ 10,972
Cash and cash equivalent	$ 18	$ 1,969	$ 397	$ 4,200
Working capital (deficiency)	$ (2,339)	$ 8,810	$ (1,291)	$ 10,936

1 – Non-IFRS measure

2 – Represents 11 months ended December 31, 2022 as result of the year end change from January 31 to December 31.

- For the six months ended June 30, 2023 ("YTD 2023"), the Company recognized revenue of $1,098,000 in connection with its referral service fee compared to $nil in the six months ended July 31, 2022 ("YTD 2022"). The prior comparable period was prior to the completion of the Spetz acquisition.
- For the period ended December 31, 2022, the revenue for the period represents referral service fee revenue from the date of acquisition of Spetz on August 17, 2022 to December 31, 2022.
- Total expenses increased in the six months ended Jun 30, 2023 (YTD 2023") to $2,870,000 compared to $855,000 in the comparable period of the prior year. This increase is primarily due prior comparable prior period was prior to the Spetz acquisition. Total expenses decreased in the period ended December 31, 2022 ("FY 2022") primarily due to reduced share-based compensation costs compared to $5,159,000 in the same period of the prior year. The increase in JANUARY 2022 includes stock-based compensation expenses of $3,400,000.
- During the six months ended June 30, 2023, the Company recognized a gain of $25,000 in connection with the MADA loan amendment which had been previously written off in the period ended December 31, 2022. Loss from discontinued operations in the period ended December 31, 2022 reflects the restated discontinued operations associated with the change in focus from Cryptohawk.ai solutions to Spetz business and reflects 1) unrealized loss on investments of $5,022,000 2) unrealized loss on digital currencies of $437,000. For JANUARY 2022, disposition of the Digimax Capital Corp. which received regulatory approval and closed on January 31, 2022. The loss from discontinued operations for period ended January 31, 2022 includes 1) impairment on intangible assets of $1,613,000; 2) $1,831,000 in amortization expense; and 3) realized loss on sale of digital currencies of $567,000.
- Comprehensive loss for the period ended December 31, 2022 includes goodwill impairment in connection

with its Israeli, United Kingdom and Australian Cash Generating Unit ("CGU"s) in the amount of $1,442,000; an unrealized loss on digital currencies of $596,000 in the fiscal year and foreign exchange loss on translating foreign operations of $112,000 on the adoption of reporting in United States dollars; and the consolidation of the Spetz operations post acquisition on August 17, 2022.

- The Company's adjusted EBITDA, as reconciled below, for YTD 2023 was a loss of $889,000 compared to $348,000 in same comparable period of the prior year. For the eleven-month period ended December 31, 2022 EBITDA loss was $1,493,000 a decrease from $3,932,000 in JANUARY 2022.
- Current assets decreased to $665,000 at June 30, 2023, from $1,003,000 at December 31, 2022 and $11,472,000 at January 31, 2022. The increase at January 31, 2022 reflects the completion of two private placements for gross proceeds of $14,548,000 in addition to proceeds from exercise of warrants and stock options during JANUARY 2022.
- Total assets decreased to $8,274,000 at June 30, 2023, compared to $9,188,000 at December 31, 2022 and $11,547,000 on January 31, 2022. The decrease reflects the recognition of fair value of the assets acquired on the Spetz transaction, offset by the decline in fair value of investments of $5,022,000; goodwill impairment of $1,442,000; and digital currencies of $437,000 for the period ending December 31, 2022. The Company recognized $2,978,000 in intangible assets and $4,637,000 in goodwill in connection with the Spetz acquisition.
- Working capital deficiency at June 30, 2023 was $2,339,000 compared to $1,291,000 at December 31, 2022 and compared to working capital surplus of $10,936,000 at January 31, 2022.

Adjusted EBITDA

One of the measures the Company uses to evaluate its objectives is adjusted EBITDA. Adjusted EBITDA is a non-IFRS financial measure that does not have a standard meaning prescribed by IFRS and may not be comparable to similar measures presented by other companies. The Company calculates Adjusted EBITDA as is equal to net income (loss) from continuing operations before interest, taxes and amortization, share-based compensation, and payments, realized loss on sale of digital currencies, loss on revaluation of derivative liabilities, foreign exchange income, interest earned on investments, and unrealized loss on investments. Management believes this measure provides useful information as it is a commonly used measure in the capital markets and as it is a close proxy for repeatable cash generated by (used for) operations.

(Expressed in thousands of United States dollars)

	Three months ended		Six months ended	
	June 30, 2023	July 31, 2022	June 30, 2023	July 31, 2022 (restated)
Net Loss from continuing operations	$ (860)	$ (191)	$ (1,744)	$ (769)
Addback:				
Depreciation and amortization expenses	288	10	574	20
Share based compensation	91	184	223	487
Research expenses	129	-	326	-
Other (income)/expenses	(127)	(176)	(268)	(86)
Adjusted EBITDA	**$ (481)**	**$ (174)**	**$ (889)**	**$ (348)**

For the three ("Q2 2023") and six months ended June 30, 2023, the Company had negative EBITDA of $481,000 and $889,000, respectively compared to $174,000 and $348,000, respectively for the same periods of the prior year.

The Company is continuing to right size operations and get to positive EBITDA as soon as possible.

RESULTS OF OPERATIONS

For the three and six months ended June 30, 2023, compared to the three and six months ended July 31, 2022

Since the acquisition of Spetz Tech ltd. in August 2022, the Company focused on right sizing its operations and refocusing its operations on the Spetz business post closing on the acquisition.

Net loss from operations and the comprehensive loss for Q2 2023 and year to date, and the comparative prior period are detailed as follows, restated with the identification of discontinued operations in the comparable period:

(Expressed in thousands of United States dollars, except for per share amounts)

	ref.	Three months ended June 30, 2023	Three months ended July 31, 2022	Six months ended June 30, 2023	Six months ended July 31, 2022 (restated)
Revenue	a	$ 580	$ -	$ 1,098	$ -
Cost of revenues		124	-	240	-
Gross margin		456	-	858	-
Expenses					
Consulting fees	b	114	144	228	227
Professional fees	c	69	25	133	34
Investor and public company costs	d	9	(27)	13	15
Sales and marketing expenses	e	370	-	639	5
General and administration	f	373	31	734	67
Depreciation and amortization expenses	g	288	10	574	20
Share based compensation	h	91	184	223	487
Research expenses		129	-	326	-
Total expenses		**1,443**	**367**	**2,870**	**855**
		(987)	(367)	(2,012)	(855)
Other income/(expenses)					
Interest, finance and accretion expense	i	(124)	(17)	(178)	(8)
Gain on revaluation of derivative liabilities	j	120	-	312	-
Foreign exchange gain		128	165	128	80
Interest earned on investments		3	10	6	14
		127	176	268	86
Net Loss from continuing operations		(860)	(191)	(1,744)	(769)
Income from discontinued operations	k	-	(565)	25	(1,062)
Net Loss before income tax expense		**(860)**	**(756)**	**(1,719)**	**(1,831)**
Income tax recovery		-	-	-	-
Net loss after income tax expense		**(860)**	**(756)**	**(1,719)**	**(1,831)**
Foreign exchange loss on translating foreign operations		**(126)**	**-**	**(113)**	**-**
Unrealized gain/(loss) on digital currencies	l	**-**	**5**	**-**	**(593)**
Comprehensive loss for the period		**$ (986)**	**$ (751)**	**$ (1,832)**	**$ (2,424)**
Loss per share continuing operations- Basic and diluted		**$ (0.00)**	**$ (0.00)**	**$ (0.00)**	**$ (0.00)**

a. The Company's revenue of $580,000 and $1,098,000, respectively represents the referral services fees incurred for Q2 2023 and the six months ended June 30, 2023. The comparable three months ended July 31, 2022 ("Q2 2022") was $nil, as it was prior to the closing the Spetz acquisition.

b. The Company engages consultants to help manage various aspects of the business, business development, corporate services, and other such services as required. Consulting fees for Q2 2023 and YTD 2023 were $114,000 and $228,000 respectively, compared to $144,000 and $227,000, incurred in the comparable prior periods. Included in consulting fees are CFO management fees (see related party section). For the Q2 2023 and YTD 2023, the Company expended $14,000 and $28,000, respectively, compared to $20,000 and $41,000 in the comparable periods of the prior year. The CEO compensation has been paid in RSUs versus cash and has been included in share-based compensation.

c. Represents audit and legal fees and other professional fees. During the Q2 2023 and YTD 2023, the

Company expended $69,000 and $133,000, respectively compared to $25,000 and $34,000 in the comparable periods of the prior year. The increase in professional fees in the current period reflects the prior comparable period the Company had ceased all professional fee engagements while it was right sizing its operations and negotiating the Spetz acquisition.

d. During the period the Company engaged different groups to assist in public company compliance, corporate strategy and marketing in order to educate the public about the company. During the Q1 2023 and YTD 2023, the Company expended $9,000 and $13,000, respectively, compared with recovery of $27,000 and $15,000 in the comparable periods of the prior year. These activities have decreased with the Company's focus on achieving positive cashflow.

e. Sales and marketing include salaries to sales staff, subcontractors, promotion and marketing of Company's applications, and brand awareness associated with Spetz application. During the Q1 2023 and YTD 2023, the Company expended $370,000 and $639,000, respectively compared to $nil and $5,000 in the comparable periods of the prior year. The increase reflects the acquisition of Spetz operations on August 16, 2022 and the Company's focus on expanding sales and marketing to drive referral revenues in the countries it serves.

f. General and administrative expenses represent salaries, management fees, and office expenses. During the Q1 2023 and YTD 2023, the Company expended $373,000 and $734,000 compared to $31,000 and $67,000 in the comparable periods of the prior year. The increase reflects the acquisition of the Spetz operations and overhead in multiple countries.

g. Depreciation and amortization expense for the Q1 2023 and YTD 2023 was $288,000 and $574,000 includes the amortization of the intangibles acquired with the acquisition of Spetz of $276,000 and $550,000, respectively. This compares to $10,000 and $20,000, respectively in the comparable periods of the prior year which was previous the Spetz acquisition.

h. Represents the value of stock options and Restricted share units that vested during the Q1 2023, and YTD 2023 was $91,000 and $223,000, respectively compared to $184,000 and $487,000 in the comparable periods of the prior year. The Company reduced the number of stock option awards in the current period compared to same period of the prior year. Included in share-based compensation is $75,000 in restricted share units for the CEO in lieu of cash.

i. The Company incurred $124,000 and $178,000 in interest and accretion expense in Q1 2023 and YTD 2023 respectively of which $105,000 relates to accretion on the Convertible debenture.

j. In the six months ended June 30, 2023, the Company completed a convertible debenture which the Company determined had a derivative liability in connection with the warrants issued in connection with the financing. This derivative liability requires revelation at each reporting period. As such the Company recognized a gain of $120,000 and $312,000, respectively, on revaluation from inception to June 30, 2023.

k. As previously indicated, the Company reached an agreement with MADA on an amended loan repayment to the Company on March 28, 2023. The Company had previously written down its investment to zero at December 31, 2022. As a result, the Company setup a receivable of $25,000 resulting in a gain on repayment of a portion of the MADA loan amendment. The $25,000 proceeds were received on April 2. 2023.

l. During the Q1 2022, the Company held digital currencies, the Company has unrealized loss on its digital currencies held of $593,000. As required under IFRS, these unrealized losses are treated as intangible assets and all unrealized gains are recognized as part of comprehensive income to the extent that previously unrealized gains have been recorded to comprehensive income.

SELECTED QUARTERLY FINANCIAL INFORMATION

(Expressed in thousands of United States dollars, except for per share amounts)

Three months ended	Revenue (restated)	Net Loss (restated)	Net loss per share (Basic and Diluted) (restated)
30-Jun-23	$ 580	$ (860)	$ (0.00)
31-Mar-23	518	(859)	(0.00)
31-Dec-22	465	(6,134)	(0.01)
31-Oct-22	532	(2,105)	(0.00)
31-Jul-21	37	(846)	(0.00)
30-Apr-22	19	(1,075)	(0.01)
31-Jan-22	15	(6,092)	(0.02)
31-Oct-21	21	(2,021)	(0.01)

During the three months ended June 30, 2023, the Company recognized non-cash expenses of $288,000 in depreciation and amortization, $91,000 in stock-based compensation, and $105,000 in accretion expense, partially offset by revaluation gain on derivative liability of $120,000.

During the three months ended March 31, 2023, the Company recognized non-cash expenses of $286,000 in depreciation and amortization, $132,000 in stock-based compensation, and $26,000 in accretion expense, partially offset by revaluation gain on derivative liability of $192,000.

During the two months ended December 31, 2022, the Company recognized non-cash expenses of $69,000 in stock-based compensation, $229,000 in depreciation and amortization, and $1,442,000 in goodwill impairment. In addition, had discontinued operation loss of $4,117,000.

During the three months ended October 31, 2022, the Company recognized non-cash expenses of $129,000 in stock-based compensation, $184,000 in depreciation and amortization, and $93,000 in acquisition costs in connection with 4,000,000 shares issued as finders' fees.

During the three months ended July 31, 2022, the Company recognized non-cash expenses of $185,000 in stock-based compensation, $10,000 in amortization and $280,000 in unrealized loss on digital currencies.

During the three months ended April 30, 2022, the Company recognized non-cash expenses of $302,000 in stock-based compensation, $10,000 in amortization, $31,000 in unrealized investment losses.

During the three months ended January 31, 2022, the Company recognized non-cash expenses of an impairment charge on intangible assets of $1,596,000; realized loss on digital currencies of $645,000; amortization expense of $1,246,000; stock-based compensation of $312,000, and unrealized loss on investments of $286,000.

During the three months ended October 31, 2021, the Company recognized non-cash expenses of $631,000 in stock-based compensation; amortization expense of $224,000; unrealized loss on investments of $132,000 and realized gains on sale of digital currencies of $88,000.

LIQUIDITY AND CAPITAL RESOURCES

The Company manages its capital structure and adjusts it, based on the funds available to the Company, in order to support the development of its planned business activities. The Board does not establish quantitative return on capital criteria for management, but rather relies on the expertise of the Company's management to sustain future development of the business. In order to carry out the planned business activities and pay for administrative costs, the Company will spend its existing working capital and raise additional funds as needed. Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable.

The Company had cash of $18,000, Discontinued investment assets of $500,000. The Company had total current assets of $665,000 and current liabilities of $3,004,000 at June 30, 2023. The Company had a working capital deficiency of $2,339,000 at June 30, 2023, compared to working capital deficiency of $1,291,000 at December 31, 2022.

		June 30, 2023		July 31, 2022 (restated)
Operating activities used in continuing operations	$	(1,086)	$	(880)
Financing activities (used in)/from continuing operations		680		(94)
Investing activities used in continuing operations		2		-
Cash, beginning of period		397		4,319
Cash, end of period	$	18	$	1,969

Cash used in continuing operating activities

Cash used in operating activities was the result of the operating loss from operations of $1,744,000 for the YTD 2023 (December 2022 - $3,928,000), positively adjusted for non-cash items of $472,000 (December 2022 – $1,830,000), and the positive net change in non-cash working capital items was $186,000 (December 2022-negative $230,000).

Cash flows (used in)/from continuing financing activities

The Company received net cash of $444,000 (December 2022- $238,000 used) from the convertible debenture financing completed in Q1 2023 and $180,000 received from promissory notes completed in Q2 2023.

Cash flows used in continuing investing activities

During YTD 2023, the Company received $2,000 in cash from investing activities (December 2022 – $1,002,000 used).

The Company's objective when managing capital is to obtain adequate levels of funding to support its business activities, to obtain corporate and administrative functions necessary to support organizational functioning and obtain sufficient funding to further the development of its business. The Company raises capital, as necessary, to meet its needs and take advantage of perceived opportunities and, therefore, does not have a numeric target for its capital structure. Funds are primarily secured through equity capital raised by way of private placements and the issuance of convertible debentures.

Management closely monitors the Company’s current cash position and the short-term and long-term cash requirements. The Company may be required to obtain additional funding to take advantage of the market opportunities and an issuance of common shares or debt will most likely be a component of the funding.

OUTSTANDING SHARE DATA

As at June 30, 2023, the Company had 514,415,011 common shares issued and outstanding,6,500,000 stock options, 37,558,215 RSUs and 60,817,212 warrants. As at August 14, 2023 the Company has the following outstanding balances: 515,615,000 common shares, 6,500,000 stock options, 36,358,215 RSUs and 60,817,212 warrants.

FINANCIAL INSTRUMENTS

As outlined in Note 3 and Note 21 to the June 2023 Financial Statements, the Company recognizes all financial instruments and applies the fair value hierarchy as required under IFRS.

OFF BALANCE SHEET ARRANGEMENTS

Other than as described in Note 23 to the 2022 Audited Financial Statements and Note 23 to the June 2023 Financial Statements, the Company is not aware of any Off-Balance Sheet arrangements.

COMMITMENTS AND CONTINGENCIES

Other than as described in Note 23 to the 2022 Audited Financial Statements and Note 23 to the June 2023 Financial

Statements, and as noted in this MD&A, the Company has no additional commitment disclosure.

RELATED PARTY TRANSACTIONS

Other than as described in Note 22 to the June 2023 Financial Statements, there are no additional related party transactions.

ACCOUNTING POLICIES, CRITICAL JUDGMENTS AND ESTIMATES

The preparation of the Company's June 2023 Financial Statements in conformity with IFRS, requires management to make judgments, estimates and assumptions that affect the reported amounts of assets, liabilities, revenues and other items in net earnings or loss, and the related disclosure of contingent assets and liabilities, if any. Critical judgments and estimates represent estimates made by management that are, by their very nature, uncertain. The Company evaluates its estimates on an ongoing basis. Such estimates are based on historical experience and on various other assumptions that the Company believes are reasonable under the circumstances, and these estimates form the basis for making judgments about the carrying values of assets and liabilities and the reported amounts of revenues and other items in net earnings or loss that are not readily apparent from other sources. Actual results may differ from these estimates under different assumptions or conditions. Summaries of the significant accounting policies applied, and significant judgments, estimates and assumptions made by management in the preparation of its financial statements are provided in Notes 2 and 3 to the 2022 Audited Financial Statements and Note 2 and 3 to the June 2023 Financial Statements.

CONTROLS AND PROCEDURES

Disclosure controls and procedures are designed to provide reasonable assurance that all relevant information is gathered and reported to senior management, including the Company's CEO and Chief Financial Officer ("**CFO**"), on a timely basis so that appropriate decisions can be made regarding public disclosure. As at June 30, 2023, covered by this management's discussion and analysis, management of the Company, with the participation of the CEO and the CFO, evaluated the effectiveness of the Company's disclosure controls and procedures as required by Canadian securities laws. Based on that evaluation, the CEO and the CFO have concluded that, as of the end of the period covered by this management's discussion and analysis, the disclosure controls and procedures were effective to provide reasonable assurance that information required to be disclosed in the Company's annual filings and interim filings (as such terms are defined under Multilateral Instrument 52-109 Certification of Disclosure in Issuers' Annual and Interim Filings) and other reports filed or submitted under Canadian securities laws is recorded, processed, summarized and reported within the time periods specified by those laws and that material information is accumulated and communicated to management of the Company, including the CEO and the CFO, as appropriate to allow timely decisions regarding required disclosure.

The CEO and the CFO of the Company have also evaluated whether there were changes to the Company's internal controls over financial reporting during the period ended June 30, 2023, that have materially affected or are reasonably likely to materially affect the Company's internal control over financial reporting. There were no changes identified during their evaluation.

RISK FACTORS

Prior to making an investment decision, investors should consider the investment risks set out below and those described elsewhere in this document, which are in addition to the usual risks associated with an investment in a business at an early stage of development. The Board considers the risks set out below to be the most significant to potential investors in the Company, but the list is not exhaustive and does not include all of the risks associated with an investment in securities of the Company.

The risks faced by the Company are described in the Company's 2023 Annual information Form, under "Risk Factors" which is available on SEDAR at www.sedar.com. These business risks should be considered by interested parties when evaluating the Company's performance and its outlook.

INFORMATION CONCERNING SPETZ INC.

Additional information relating to the Company, may be accessed through the SEDAR website at www.sedar.com under Spetz Inc. (formerly Digimax Global Inc.) and the Company's website at www.spetz.app.

Toronto, Ontario
August 14, 2023