SPETZ INC.

CONSOLIDATED FINANCIAL STATEMENTS

AS OF DECEMBER 31, 2023

SPETZ INC.

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TO THE SHAREHOLDERS OF

To the Shareholders of Spetz Inc.

The accompanying consolidated financial statements and other financial information in this annual report were prepared by the management of Spetz Inc. (the "Company"), reviewed by the Audit Committee, and approved by the Board of Directors.

Management is responsible for the consolidated financial statements and believes that they fairly present the Company's financial position and results of operations in conformity with International Financial Reporting Standards. Management has included in the Company's consolidated financial statements amounts based on estimates and judgments that it believes are reasonable, under the circumstances.

To discharge its responsibilities for financial reporting and safeguarding of assets, management believes that it has established appropriate systems of internal accounting control that provide reasonable assurance that the financial records are reliable and form a proper basis for the timely and accurate preparation of consolidated financial statements. Consistent with the concept of reasonable assurance, the Company recognizes that the relative cost of maintaining these controls should not exceed their expected benefits. Management further assures the quality of the financial records through careful selection and training of personnel and through the adoption and communication of financial and other relevant policies.

The consolidated financial statements for the period ended December 31, 2023, have been audited by the Company's auditors, BDO, and their report is presented herein.

"Yossi Nevo"

Yossi Nevo
Chief Executive Officer

"Nofar Shigani"
Nofar Shigani
Chief Financial Officer

Toronto, Canada
April 26, 2024

INDEPENDENT AUDITOR'S REPORT

TO THE SHAREHOLDERS OF

SPETZ INC

Opinion

We have audited the consolidated financial statements of Spetz Inc (the "Company"), which comprise the consolidated statements of financial position as at December 31, 2023, the consolidated statements of comprehensive loss, changes in shareholders' equity and cash flows for the year then ended, and notes to the consolidated financial statements and notes to the consolidated financial statements, including a summary of material accounting policy information.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Company as at December 31, 2023, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs).

Basis for Opinion

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

Material Uncertainty Related to Going Concern

We draw attention to Note 1 in the consolidated financial statements, which indicated that the Company incurred a net loss of $7,898 thousand during the year ended December 31, 2023. As stated in Note 1 these events and conditions, along with other matters as set forth in Note 1 indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. In addition to the matter described in the *Material Uncertainty Related to Going Concern* section, we have determined the matters described below to be the key audit matters to be communicated in our report:

Impairment test for of goodwill and intangible assets

Management required to test goodwill for impairment annually and assesses other intangible assets for impairment only whether there are indications of impairment.

Those tests and assessments are largely based on management expectations and estimates of future results of the cash generating units.

. This process is judgmental given the indefinite nature of the goodwill. It is based on assumptions about future growth and discount rates, which can be sensitive. Therefore, a risk exists that goodwill is overstated on the balance sheet if judgments or assumptions be considered inappropriate.

The accounting policy for goodwill and other intangible assets impairment is described in Note 2, and the assumptions are disclosed in Note 9 of the accompanying financial statements.

How the key audit matter was addressed in the audit

Our procedures in respect of this area included:

- We verified the inputs data of the calculations by reference to, where appropriate, external data.
- Our valuation team performed a detailed review and challenge of the models used including the macroeconomic assumptions used.
- Our valuation team assessed the reasonableness of forecast future cash flows by comparison to historical performance and future outlook.
- We performed a detailed review of the disclosures in respect of impairments and impairment testing adopted by management.
- We examined the reputation and the objectivity of the independent valuation expert.

Other Information

Management is responsible for the other information. The other information comprises the Management's Discussion and Analysis. Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

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

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

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Other Matter

The consolidated financial statements for the eleven months ended December 31, 2022 were audited by another auditor who expressed an unmodified opinion on those consolidated financial statements on May 1, 2023 which audit report contained a material uncertainty attention related to going concern.

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

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

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

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

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

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

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the Company audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

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

Tel-Aviv, Israel

April 26 , 2024

Ziv haft
Certified Public Accountants (Isr.)
BDO Member Firm

SPETZ INC.
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

(Expressed in thousands of United States dollars)

	Notes	December 31, 2023	December 31, 2022
ASSETS			
Current Assets			
Cash and cash equivalents		$ 22	$ 397
Restricted deposits		53	54
Accounts receivable, net		473	435
Other receivables		17	53
Prepaid expenses		17	64
Total Current Assets		582	1,003
Non-current Assets			
Property, plant and equipment, net	7	20	33
Right-of-use asset		-	37
Assets held for sale	5,6	90	500
Intangible assets	4,8	2,105	2,978
Goodwill	4,9	361	4,637
Total Non-Current Assets		2,576	8,185
Total Assets		$ 3,158	$ 9,188
LIABILITIES			
Current Liabilities			
Accounts payable and accrued liabilities	10	$ 1,049	$ 690
Short-term bank credit	12	333	238
Other payables	11	845	606
Lease liability		-	41
Related party payables	25	654	370
Deferred revenue		288	349
Convertible debenture	13	636	-
Total Current Liabilities		3,805	2,294
Non-current Liabilities			
Long term loans	14	16	32
Employee benefit liabilities		16	25
Total Liabilities		3,837	2,351
SHAREHOLDERS' EQUITY			
Share capital and Additional paid in Capital	15,16,17, 13	33,980	33,632
Accumulated deficit		(34,747)	(26,849)
Accumulated other comprehensive income		88	54
Total Shareholders' Equity		(679)	6,837
Total Liabilities and Shareholders' Equity		$ 3,158	$ 9,188

Nature of operations and going concern (Note 1)
Commitments (Note 26) and Subsequent events (Note 28)

Approved on behalf of the Board on April 26,2024

"Yossi Nevo"
Director

"Michael Kron"
Director

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

SPETZ INC.

CONSOLIDATED STATEMENTS OF LOSS AND COMPREHENSIVE LOSS

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

	Notes	year ended December 31, 2023	11 months ended December 31, 2022
Revenues			
Referral fees	20	$ 2,031	$ 997
Cost of revenues	19	444	34
Gross margin		**1,587**	**963**
Expenses			
Sales and marketing expenses	21	1,267	786
General and administration	22	2,721	3,155
Impairment on Goodwill	9	4,304	1,442
Research expenses	23	507	321
Total Expenses		**(8,799)**	**(5,704)**
		(7,212)	**(4,741)**
Other income/(expenses)			
Interest, finance and accretion expense		(300)	(50)
Foreign exchange gain/(loss)		(3)	(44)
Other income		6	21
Net Loss from continuing operations		**(7,509)**	**(4,814)**
Income (Loss) from discontinued operations	27	(389)	(6,232)
Net loss before income tax expense		**(7,898)**	**(11,046)**
Income tax recovery	18	**-**	**(886)**
Net loss for the period		**(7,898)**	**(10,160)**
Other comprehensive income/(loss)			
Foreign exchange gain/(loss) on translating foreign operations		34	(112)
Unrealized gain/(loss) on digital currencies in discontinued operations		-	(596)
Other comprehensive income/(loss) for the period		**34**	**(708)**
Comprehensive loss for the period		**(7,864)**	**(10,868)**
Weighted average shares outstanding			
- Basic and diluted		5,135,329	3,668,205
Loss per share from continuing operations - basic and diluted		$ (1.46)	$ (1.31)
Loss per share from discontinued operations - basic and diluted		$ (0.08)	$ (1.70)
Loss per share from continiuing and discontinued operations - basic and diluted		$ (1.54)	$ (3.01)

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

SPETZ INC.
CONSOLIDATED STATEMENTS OF CASH FLOWS

(Expressed in thousands of United States dollars)

	Year ended December 31, 2023	11 months December 31, 2022
Cash Flows from Operating Activities		
Net loss for the period	$ (7,898)	$ (10,160)
Non-cash items:		
Net loss from discontinued operations for the period	389	6,232
Accretion expense on Convertible debenture	125	-
Impairment of goodwill	4,304	1,442
Deferred income tax recovery	-	(886)
Depreciation and amortization expense	919	415
Increase of related party payables	201	-
Impairment of on discuntined investments	414	-
Foreign exchange gain	-	(53)
Shares issued for services	-	93
Share based compensation	243	819
	(1,303)	(2,098)
Net change in non-cash working capital items:		
Accounts receivable, net	(38)	(52)
Other receivables	36	29
Prepaid expenses	47	(1)
Deferred revenue	(61)	(2)
Employee benefit liabilities	(9)	-
Accounts payable and accrued liabilities	598	(204)
Cash used in continuing operations	(1,144)	(2,328)
Cash (used in)/provided From discontinued operations	25	(1,026)
Cash Flows used in operating activities	**(1,119)**	**(3,354)**
Cash Flows from Financing Activities		
Increase /(Decrease) of short term bank credit	95	(60)
Decrease of long term loans	(16)	(11)
Increase /(Decrease) of related party payables	83	(54)
Decrease of notes payable	-	(75)
Principal payments of lease liability	(41)	(38)
Net proceeds from convertible debenture	616	
Cash Flows (used in)/provided from financing activities	**737**	**(238)**
Cash Flows from Investing Activities		
Acquisition of Spetz, net of cash acquired	-	(1,002)
Restricted cash	1	6
Additions/(Disposals) to property, plant and equipment	4	(5)
Cash flows (used in)/ provided from investing activities	**5**	**(1,001)**
Cash flows provided from discontinued investing activities	-	790
Cash Flows (used in)/provided from investing activities	**5**	**(211)**
Effects of exchange rate changes on cash	**2**	**-**
Decrease in cash	**(375)**	**(3,803)**
Cash, beginning of the period	397	4,200
Cash, end of the period	**$ 22**	**$ 397**

Supplemental disclosure of cash flow information		
Interest paid	42	75
Shares issued for service	-	93

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

SPETZ INC.
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

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

	Number of shares (1)	Share capital and Additional Paid in Capital	Deficit	Accumulated Other Comprehensive Income (loss)	Total
Balance, January 31, 2022	**2,710,650**	**$ 26,898**	**$ (16,689)**	**$ 762**	**$ 10,971**
Share based payments		819	-	-	819
Shares issued on acquisition of Spetz	2,301,465	5,822			5,822
Share issue for finders fees	40,000	93			93
Other comprehensive income/(loss)	-	-	-	(708)	(708)
Net loss and comprehensive loss, continuing operations	-	-	(10,160)	-	(10,160)
Shares issued on RSUs vested	30,019		-	-	-
Balance, December 31, 2022	**5,082,134**	**33,632**	**(26,849)**	**54**	**6,837**
Share based payments	-	243	-	-	243
Shares issued on RSUs vested	112,722		-	-	-
Warrants and debenture conversion feature		105			105
Other comprehensive income/(loss)	-	-	-	34	34
Net loss, continuing and discontinued operations	-	-	(7,898)	-	(7,898)
Balance, December 31, 2023	**5,194,856**	**$ 33,980**	**$ (34,747)**	**$ 88**	**$ (679)**

(1) Prior period share amounts have been adjusted to reflect the Share reverse split effected in October 2023. see Note 15 for details

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

1. NATURE OF BUSINESS AND GOING CONCERN

Spetz Inc. (the "**Company**") was incorporated on December 11, 1998, under the laws of the Province of Ontario, Canada. The registered office and principal place of business of the Company is 40 King street West Suite 5800, Toronto, ON M5H 3S1.

In prior years, the Company was focused on utilizing advanced financial technologies, together with predictive analytics derived from artificial intelligence-based machine learning, to provide its customers with products and services in multiple market sectors, the results derived or expanded out of those activities were allocated to discontinued operations. With the acquisition of Spetz Tech Ltd. ("Spetz") , in August 2022, the Company has a global online, AI-powered marketplace platform that dynamically connects consumers to nearby rated service providers within 30 seconds, the Company operates in Israel, Australia, the United Kingdom and the United state.

The Company is listed on the Canadian Securities Exchange ("CSE") and trades under the symbol "SPTZ".

On October 7, 2023, an attack was launched against Israel by Hamas (a terror organization) which thrust Israel into a state of war (hereinafter: "The state of war") in Israel and in Gaza strip. The Company is continuing with its operations both in Israel and globally, as the state of war had no substantial impact on its operations or business results. The Company continues to assess the effects of the state of war on its financial statements and business.

Going Concern

The Company expects to continue to finance itself through raising adequate funds in the foreseeable future. During the year ended December 31, 2023, the Company had a net loss of $7,898 ,negative cash flow from operation of $1,742 and generated $34,747 of accumulated deficit since inception. These factors raise material uncertainties that may cast significant doubt upon the Company's ability to continue as a going concern. If the going concern assumption was not appropriate for these consolidated financial statements, then adjustments would be necessary to the carrying value of the assets and liabilities. . The Company's plans to fund near term anticipated activities based on proceeds from

capital fundraising and future revenues.

2. BASIS OF PRESENTATION

(a) Basis of presentation and statement of compliance

The Company's Financial statements have been prepared in accordance and compliance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and Interpretations of the IFRS Interpretations Committee ("IFRIC").

These audited consolidated financial statements were approved and authorized by the Company's Board of Directors on April 26, 2024.

(b) Basis of measurement

These consolidated financial statements have been prepared on the going concern basis, under the historical cost convention, except for certain financial instruments, share base payments, and Warrants that are measured at fair value, as explained in the accounting policies described herein.

(Expressed in thousands of United States Dollars)

(c) Basis of consolidation

These consolidated financial statements include the accounts of the Company and its subsidiaries. All intercompany balances and transactions were eliminated on consolidation. Subsidiaries are entities the Company controls when it has the power, directly or indirectly to govern the financial and operating policies of an entity, and it is exposed, or has rights, to variable returns from its involvement with the entity.

Subsidiaries	Jurisdiction of incorporation	Status	Functional Currency	Ownership interest
Spetz Tech Ltd.	Israel	Active	ISL	100%
Spetz Ltd.	United Kingdom	Active	GBP	100%
Spetz Pty Ltd.	Australia	Active	AUD	100%
Spetz Inc	USA	Active	USD	100%
2618249 Ontario Corp.	Ontario, Canada	Active	CAD	100%
DataNavee Corporation	Ontario, Canada	Inactive	CAD	100%
Digimax Fund SPC	Cayman Islands	Inactive	CAD	80%
Digimax Global BVI inc.	Cayman Islands	Inactive	CAD	100%
Delphi Crypto AiCi	USA	Inactive	USD	100%

(d) Functional and presentation currency

All figures presented in the consolidated financial statements are reflected in United States dollars, which is the Company's presentation currency. The Company's functional currency is Canadian dollars ("CAD") dollars. Foreign currency transactions are translated into CAD 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 CAD dollars at the foreign exchange rate applicable at that date. Realized and unrealized exchange gains or losses are recognized 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 unless it is measured at fair value in which case it is translated using the exchange rate at the date when the fair value was measured.

(e) Significant judgments, estimates and assumptions

The preparation of these consolidated financial statements requires management to make judgments and estimates and form assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses during the reporting period. On an ongoing basis, management evaluates its judgments and estimates in relation to assets, liabilities, revenue and expenses. Management uses historical experience and various other factors it believes to be reasonable under the circumstances as the basis for its judgments and estimates. Actual outcomes may differ from these estimates under different assumptions and conditions. Significant estimates and judgements include but are not limited to the following:

i. Estimated useful lives, amortization of intangible assets, and impairment testing

Amortization of intangible assets is recorded on a straight-line basis over their estimated useful lives, which do not exceed the contractual period, if any. Intangible assets that have indefinite useful lives are not subject to amortization and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. The assessment of any impairment is dependent upon estimates of recoverable amounts that take into account factors such as economic and market conditions and the useful lives of assets

ii. Determination of fair value of equity settled transactions using option pricing models

The Company measures the cost of equity-settled transactions consisting of stock options and share purchase warrants offered to service providers and employees by reference to the fair value of the equity instruments at the date at which they are granted. Estimating fair value for share-based payment transactions requires determining the most appropriate valuation model, which is dependent on the terms and conditions of the grant. This estimate also requires determining the most appropriate inputs to the valuation model including the expected life of the stock option, volatility and dividend yield and making assumptions about them. Changes in the input assumptions can materially affect the fair value estimate. The Company uses the Black-Scholes Option Pricing Model to calculate the fair value.

iii. Share-based payments

The Company measures equity-settled share-based payment transactions based on an estimate of the fair value of goods or services received, unless that fair value cannot be estimated reliably, in which case the Company measures the fair value of the goods or services received based on the fair value of the equity instruments granted.

iv. Warrants

The Company uses the Black-Scholes model to calculate the value of warrants issued as part of the Company's private placements. The Black-Scholes model requires six key inputs to determine a value of warrants: risk-free interest rate, exercise price, market price at the date of issuance, expected dividend yield, expected life, and expected volatility. Certain of the inputs are estimates which involve considerable judgment and are or could be, affected by significant factors that are out of the Company's control. For example, a longer expected life of the warrants or a higher volatility number used would result in an increase in the warrant value.

iii. Impairment of intangible assets

Intangible assets are tested for impairment annually and whenever events or changes in circumstances indicate that the carrying amount of intangible assets has been impaired. In order to determine if the value of intangible assets have been impaired, the cash-generating unit to which the intangible assets have been allocated must be valued using present value techniques. When applying this valuation technique, the Company relies on a number of factors, including historical results, business plans, forecasts and market data. Changes in the conditions for these judgments and estimates can significantly affect the assessed value of the intangible assets

iv. Functional and presentation currency

In determining the functional currency of the parent and its subsidiary, the Company considers the currency that mainly influences sales and the cost of providing goods and services in each jurisdiction in each the Company operates. The Company also considered secondary indicators including the currency in which funds from financing activities are denominated, the currency in which funds are retained and whether the activities of the subsidiaries are carried out as an extension of the Company or if they are carried out with a degree of autonomy.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies applied in the preparation of the consolidated financial statements are set out below:

(a) Cash

The Company defines cash as highly liquid investments held for the purpose of meeting short term cash commitments that are readily convertible into known amounts of cash.

(b) Receivable and Expected Credit Loss

Accounts receivables are recorded at the invoiced amount and do not bear interest. Expected credit losses reflect the Company's estimate of amounts in its existing accounts receivable that may not be collected due to customer claims or customer inability or unwillingness to pay. Collectability of receivables is reviewed on an ongoing basis. The expected credit loss is determined based on a combination of factors, including the Company's risk assessment regarding the credit worthiness of its customers, historical collection experience and length of time the receivables are past due. For financial assets measured at amortized cost, loss allowances for expected credit losses are presented in the consolidated statement of financial position as a deduction from the gross carrying amount of the financial asset.

(c) Financial instruments

Financial assets and financial liabilities, are recognized on the consolidated statement of financial position when the Company becomes party to the financial instrument or derivative contract.

Classification

The Company classifies its financial instruments in the following categories: at fair value through profit or loss ("FVTPL"), at fair value through other comprehensive income ("FVTOCI") or at amortized cost. The Company determines the classification of financial assets at initial recognition. The classification of debt instruments is driven by the Company's business model for managing financial assets and their contractual cash flow characteristics. Equity instruments that are held for trading including all derivative instruments are classified as FVTPL. Financial liabilities are measured at amortized cost, unless they are required to be measured at FVTPL or the Company has opted to measure them at FVTPL.

Measurement

All financial instruments are required to be measured at fair value on initial recognition, plus, in the case of a financial asset or financial liability not at FVTPL, transaction costs that are directly attributable to the acquisition or issuance of the financial asset or financial liability. Transaction costs of financial assets and financial liabilities carried at FVTPL are expensed in profit or loss.

The component parts of compound instruments issued by the Company are classified separately as financial liabilities in accordance with the substance of the contractual arrangement. At the date of issue, the fair value of the liability is measured separately using an estimated market rate for a similar liability without an equity component and the residual is allocated to the conversion option. The liability component is subsequently recognized on an amortized cost basis using the effective interest method until extinguished upon conversion or at the instrument's maturity date.

Fair value is measured using a fair value hierarchy that reflects the significance of the inputs used to make the measurements. The hierarchy is summarized as follows:

- Level 1 - quoted prices (unadjusted) that are in active markets for identical assets or liabilities
- Level 2 - inputs that are observable for the asset or liability, either directly (prices) for similar assets or liabilities in active markets or indirectly (derived from prices) for identical assets or liabilities in markets with insufficient volume or infrequent transactions
- Level 3 - inputs for assets or liabilities that are not based upon observable market data

Derecognition

Financial assets

The Company derecognizes financial assets when the contractual rights to cash flows from the financial assets expire, or when it transfers the financial assets and substantially all the associated risks and rewards of ownership to another entity. Gains or losses on derecognition are generally recognized in the consolidated statement of loss and comprehensive loss.

Financial liabilities

The Company derecognizes financial liabilities only when its obligations under the financial liabilities are discharged, cancelled or expired. The difference between the carrying amount of the financial liability derecognized and the consideration paid and payable, including any non-cash assets transferred or liabilities assumed, is recognized in the consolidated statement of loss and comprehensive loss.

(d) Intangible assets

Intangible assets are stated at cost, net of accumulated amortization and accumulated impairment losses, if any. The Amortization is computed on a straight line basis, based on the estimated useful lives of the assets, as follows:

	years
Customer relationships	1
Brand	15
Technology	7
Non-compete	3

(e) Goodwill Impairment and impairment of non-financial assets

Non-financial assets are reviewed for impairment if there is any indication that the carrying amount may not be recoverable. If any such indication is present, the recoverable amount of the asset is estimated to determine whether impairment exists. Where the asset does not generate cash flows that are independent from other assets, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Any intangible asset such as Goodwill with an indefinite useful life is tested for impairment annually and whenever there is an indication that the asset may be impaired. In order to determine if the value of goodwill has been impaired, the cash-generating unit to which goodwill has been allocated must be valued using present value techniques. When applying this valuation technique, the Company relies on a number of factors, including historical results, business plans, forecasts and market data. Changes in the conditions for these judgments and estimates can significantly affect the assessed value of goodwill. Management assesses intangible assets with indefinite lives for impairment on an annual basis.

An asset's recoverable amount is the higher of 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 for which estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset or cash generating unit is estimated to be less than its carrying amount, the carrying amount is reduced to the recoverable amount. An impairment loss is recognized immediately in profit or loss. Where an impairment subsequently reverses, the carrying amount is increased to the revised estimate of recoverable amount, but only to the extent that this does not exceed the carrying value that would have been determined if no impairment had previously been recognized. An impairment loss is reversed when there has been a change in estimate that is relevant for the determination of the asset's recoverable amount since the last impairment loss was recognized.

(f) Restricted share units

The Company issues restricted share unit ("RSU") awards from time to time to directors, employees and consultants. RSU entitles the recipients to receive one common share of the Company on vesting. The fair value of RSU were determined by the Company's share price on the date of the award and recorded in accordance with the vesting provisions and included as part of share-based compensation in the statements of loss and comprehensive loss for the period.

(g) Share based payments

Employees (including directors and senior executives) of the Company receive a portion of their remuneration in the form of share-based payment transactions, whereby they render services as consideration for equity instruments ("equity-settled transactions").

In situations where equity instruments are issued to non-employees and some or all of the goods or services received by the entity as consideration cannot be specifically measured, they are measured at fair value of the share-based payment. The fair value of the share-based payments is recognized together with a corresponding increase in equity over a period that services are provided, or goods are received.

The costs of equity settled transactions with employees are measured by reference to the fair value at the date on which they are granted. The costs of equity settled transactions are recognized, together with a corresponding increase in equity, over the period in which the performance and/or service conditions are fulfilled, ending on the date on which the relevant employees become fully entitled to the award ("the vesting date"). The cumulative cost recognized for equity-settled transactions at each reporting date until the vesting date reflects the Company's best estimate of the number of equity instruments that will ultimately vest. The profit or loss charge or credit for a period represents the movement in cumulative expense recognized as at the beginning and end of that period and the corresponding amount is represented in contributed surplus. Upon exercise of the stock options, the consideration paid, together with the amount previously recognized in contributed surplus, is recorded as an increase in share capital. No expense is recognized for awards that do not ultimately vest. The dilutive effect of outstanding options is reflected as additional dilution in the computation of earnings per share.

The Company uses the Black-Scholes Option Pricing Model to calculate the fair value of stock options and of common share purchase warrants issued. The model requires the input of subjective assumptions including the expected price volatility. Changes in the subjective input assumptions can materially affect the fair value estimate, and therefore the existing models do not necessarily provide a reliable single measure of the fair value of the Company's stock options and common share purchase warrants.

(h) Revenue recognition

The Company derives its revenues from providing referral services to service providers of various professions using its software application.

The Company identified the service provides as its customers, to which it refers service calls from end users using its software's algorithm, in exchange for consideration (referral fees). Each service provider purchases a defined number of service calls to be referred to it by the Company, in exchange for referral fees, as determined per each service call.

The Company identified a single performance obligation in its contracts with its customers, which is providing referral services to its customers.

The Company recognizes revenue from providing its referral services over time, since its customers simultaneously receive and consume the benefits provided by the Company's performance as the Company performs.

When the Company provides its customers additional service calls free of charge as a bonus, this is accounted for as a purchase price discount for the total number of service call purchased, including the additional service calls, which is recognized as reduction of revenue for each service call delivered.

As for customers' unexercised rights ('breakage') for unused service calls, the Company determined that it cannot reasonably expect to be entitled to a breakage amount, if any. Therefore, the Company recognizes breakage amount as revenue only when the likelihood of the customer exercising its remaining unused service calls becomes remote, which is typically after two years during which the customer did not receive any service call from the Company.

Deferred revenues

When the Company receives cash payments from its customers in advance of providing all the service calls purchased, the Company recognizes a contract liability from its contracts with its customers. The contract liability represents consideration received for unused service calls and is presented as deferred revenue in the statement of financial position.

(i) Research and development costs

Research costs are expensed as incurred. Development expenditures on an individual project are recognized as an intangible asset when the Company can demonstrate:

i) The product is technically and commercially feasible.

ii) The Company intend to complete the product so that it will be available for use or sale.

iii) The Company has the ability to use the product or sell it.

iv) The Company has the technical, financial and other resources to complete the development and to use or sell the product.

v) The Company can demonstrate the probability that the product will generate future economic benefits.

vi) The Company is able to measure reliability the expenditure attributable to the product during the development.

During the period ended December 31, 2023, the Company did not meet the criteria above, therefore all the research costs were recognized as expenses.

(j) Credit losses and their measurement

Prior to commencing a business relationship, the Company will enter into an agreement with the customer. The agreement or contract typically includes details of the terms of payment to which both sides agree. In case of need, the customer may update the Company if there is a delay in the payment, beyond the terms of the agreement. Any delays in payment is subject to approval of the company. If a customer's scheduled payment is delayed by more than two months and such delay is not approved by the Company's management, and if the customer and the Company are not able to resolve the matter, the receivable is considered to be in default as the collectability is no longer certain. If collection efforts are not successful, the Company will retain collection company in Australia or the UK or legal counsel in Israel to assist with collection and sends a demand letter to that effect. The company assesses a provision for doubtful debts, based on the collection process as described.

Write-off policy - The Company writes off its financial assets if any of the following occur:

i) Inability to locate the debtor.

ii) Discharge of the debt in a bankruptcy.

iii) It is determined that the efforts to collect the debt are no longer cost effective given the size of receivable.

The collections department must comply with the collection efforts outlined in the policy to collect on delinquent customer accounts before any write-offs are made

(k) Related party transactions

Parties are considered to be related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions. Parties are also considered to be related if they are subject to common control or common significant influence. Related parties may be individuals or corporate entities. A transaction is considered to be a related party transaction when there is a transfer of resources or obligations between related parties.

(l) Taxation

Income tax expense represents the sum of tax currently payable and any deferred tax.

Current income tax

Current income tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the date of the statement of financial position.

Deferred income tax

Deferred taxation is recognized using the liability method on temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. However, deferred taxation is not recognized if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit nor loss. Deferred taxation is determined using tax rates (and laws) that have been enacted.

A deferred tax asset is recognized to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

Deferred income tax is provided on temporary differences arising on investments in subsidiaries, associates and jointly controlled entities, except where the timing of the reversal of the temporary difference is controlled by the Company and it is probable that the temporary difference will not reverse in the foreseeable future.

(m) Share Issuance costs

Costs incurred in connection with the issuance of share capital are netted against the proceeds received. Costs related to the issuance of share capital and incurred prior to issuance are recorded as deferred share issuance costs and subsequently netted against proceeds when they are received.

(n) Share Capital

In situations where the Company issues units, the value of units is bifurcated (using the residual method).

(o) Provisions

Provisions are recognized when the Company has a present obligation (legal or constructive) that has arisen as a result of a past event and it is probable that a future outflow of resources will be required to settle the obligation, provided that a reliable estimate can be made of the amount of the obligation.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risk specific to the obligation. The increase in the provision due to passage of time is recognized as interest expense.

(p) Loss per share

Basic loss per share is computed by dividing the net loss available to common shareholders by the weighted average number of common shares outstanding during the period. The computation of diluted loss per share assumes conversion, exercise or contingent issuance of options, warrants and securities only when such conversion, exercise or issuance would have a dilutive effect on loss per share.

(q) Assets held for sale and discontinued operations

Current assets classified as held for sale are presented separately and measured at the lower of their carrying amounts immediately prior to their classification as held for sale and their fair value less costs to sell. However, some held for sale assets such as financial assets or deferred tax assets, continue to be measured in accordance with the Company's relevant accounting policy for those assets.

Once classified as held for sale, the assets are not subject to depreciation or amortization. Any profit or loss arising from the sale of a discontinued operation or its remeasurement to fair value less costs to sell is presented as part of a single line item, profit or loss from discontinued operations.

(r) Segment reporting

An operating segment is a component of the Company that meets the following three criteria:

1. Is engaged in business activities from which it may earn revenues and incur expenses;

2. Whose operating results are regularly reviewed by the Company's CEO decision maker to make decisions about allocated resources to the segment and assess its performance.

The company concluded it has one segment reporting.

New standards and interpretations

New standards not yet adopted, and interpretations issued but not yet effective

At the date of authorization of these consolidated Financial Statements, the IASB and the IFRS Interpretations Committee have issued certain new and revised Standards and Interpretations which are not yet effective. Many are not applicable or do not have a significant impact to the Company and have been excluded from these consolidated financial statements. The Company has not early adopted and is currently assessing what impact the application of these standards or amendments will have on the consolidated financial statements of the Company.

(Expressed in thousands of United States Dollars)

4. ACQUISITION OF SPETZ TECH LTD.

On August 16, 2022, the Company announced the completion of the previously announced acquisition of Spetz Tech Ltd. and wholly owned subsidiaries (collectively referred “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 scheduled time (the “Transaction”).

The Transaction, which is an arm’s length transaction, involved the Company issuing 2,301,465 common shares in consideration for all of the issued and outstanding shares of Spetz. In addition, the Company issued 195,317 in restricted stock units, which will amount to approximately 47% of the outstanding shares of the Company upon the closing of the Transaction (the “Closing”).

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 is comprised of 40,000 common shares of the Company with a fair value of $93.

Below is a preliminary breakdown of the purchase price allocated to the assets acquired. Remeasurement may be made up to August 16, 2022 (one year after the transaction per IFRS 3.45).

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

(Expressed in thousands of United States Dollars)

The cash portion of the acquisition of Spetz represents the cash advanced in the form of a convertible loan to Spetz prior to closing of $1,010 (CAD$1,300). On closing the convertible loan was converted to shares of Spetz.

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 in connection with the acquisition of Spetz, which represents $160 in legal costs and $93 representing the fair value of the 40,000 shares issued as a finder's fee.

5. INVESTMENTS

The Company has classified its investments under shares held for sale under IFRS9 and IAS32, as it's the intention of the Company to focus its resources on the Spetz operations and dispose of these investments over time.
The company holds 15% in Kirobo, a private Fintech company.
As of December 31, 2023 the fair value of Kirobo was immaterial to the financial statements

6. DIGITAL CURRENCIES

Digital currencies held are revalued each reporting period based on the fair market value of the price of the digital currencies on the reporting date. As at December 31, 2022, a revaluation loss of $1,033 was incurred writing down its Kirobo tokens to zero.

7. PROPERTY, PLANT AND EQUIPMENT

	Computer and Electronic equipment	Furniture and equipment	Leasehold Improvements	Total
Balance at February 1, 2022	$ -	$ -	$ -	$ -
Acquisition of Spetz	20	14	5	39
Additions	7	1	-	8
Less: Depreciation expense	(11)	(2)	(1)	(14)
Balance at December 31, 2022	**$ 16**	**$ 13**	**$ 4**	**$ 33**
Additions/(Disposals)	(4)	-	-	(4)
Less: Depreciation expense	(7)	(1)	(1)	(9)
Balance at December 31, 2023	**$ 5**	**$ 12**	**$ 3**	**$ 20**

The Company recorded a depreciation of $9 on property, plant and equipment.

(Expressed in thousands of United States Dollars)

8. INTANGIBLE ASSETS

As of December 31, 2023, intangible assets consisted of:

	Customer Relationships	Brand	Technology	Non-Compete	Total
Balance at February 1, 2022	$ -	$ -	$ -	$ -	$ -
Acquisition of Spetz	732	339	2,173	100	3,344
Less: Amortization expense	(244)	(8)	(103)	(11)	(366)
Balance at December 31, 2022	**488**	**331**	**2,070**	**89**	**2,978**
Less: Amortization expense	(488)	(25)	(327)	(34)	(873)
Balance at December 31, 2023	**$ -**	**$ 306**	**$ 1,743**	**$ 55**	**$ 2,105**

All intangible assets were acquired in connection with the acquisition of Spetz (see Note 4).

Amortization of intangible assets for the year ended December 31, 2023 is $873 and is included in amortization expense in the consolidated statement of loss and comprehensive loss.

9. GOODWILL

As of December 31, 2023, goodwill represents the excess purchase price paid for the acquisition of Spetz Tech Ltd. over the fair value of the net tangible and intangible assets acquired. (Note 4)
The Company tests the recoverability of its goodwill annually, or more frequently if events or changes in circumstances indicate that they might be impaired. Goodwill recoverability is tested based on the higher of fair value less costs to sell and the value in use model. The value in use model applies a present value of expected future cashflows of the assets.

Impairment of Intangible assets and goodwill

For the purpose of impairment testing, goodwill and indefinite life intangible assets have been allocated to CGUs representing the lowest level within the entity at which the goodwill is monitored for internal reporting purposes. CGUs are determined based on the smallest identifiable group of assets that generate cash inflows that are largely independent of cash inflows from other assets or group of assets.
Annual impairment testing involves determining the recoverable amount of the CGU group to which goodwill and indefinite life license intangibles are allocated and comparing this to the carrying value of the CGU groups. The measurement of the recoverable amount of the CGU groups was calculated based on the higher of the CGUs fair value less costs of disposal or value in use, which are Level 3 measurements within the fair value hierarchy.

i) Projected EBITDA: The Company's business plan contains forecasts based on past experience of actual operating results in conjunction with anticipated future growth opportunities.

ii) Terminal value of growth rate: The terminal growth rate of 2% was based on historical and projected consumer price inflation, historical and projected economic indicators, and projected industry growth; and

iii) Discount rates: Discount rates applied in determining the recoverable amount of the CGU group were approximately 23% ased on the pre-tax weighted average cost of capital of the CGU group.

The values assigned to the key assumptions represent management's assessment of future trends in the industries in which the CGU group operates and are based on internal sources and historical trend data.

As of December 31, 2023, the Company determined an impairment of $4,304 on goodwill allocated to goodwill. As of December 31, 2023, the goodwill balance is $361 (As of December 31, 2022, $4,637).

(Expressed in thousands of United States Dollars)

10. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

As at		December 31, 2023		December 31, 2022
Accounts payable	$	790	$	574
Accrued Liabilities		259		116
	$	**1,049**	**$**	**690**

Accounts payable of the Company principally comprise of amounts outstanding for trade purchases relating to regular business activities and amounts payable for financing activities. The usual credit period taken for purchases is between 30 to 90 days.

11. OTHER PAYABLES

Other payables of the Company are as follows:

As at		December 31, 2023		December 31, 2022
Employee and related institutions	$	118	$	247
Accrued expenses		435		170
Government institutions		292		100
Other payables		-		89
	$	**845**	**$**	**606**

12. SHORT-TERM BANK CREDIT

The Company has a revolving on demand, non-interest bearing short term credit facility with a bank in Israel. The facility is for a total of $323 (1,170,000 NIS). As of December 31, 2023 the company used $284 out of it.

For the remaining 49 allocated to the short term credit, derived from maturities of long term loans.

13. CONVERTIBLE DEBENTURE

Convertible debenture- liability and equity recognition

The Company closed on February 1, 2023, a private placement of $450 (CAD$600) of secured debentures, issued at a price of CAD$1,000 per unit 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 CAD$5 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. Following four months from the issue date of this Debenture, 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 CAD$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 333.333 share purchase warrant for each Debenture unit purchased, or 200,000 warrants in total (see note 16). 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 CAD$5 per share.

As a result of the contractual terms the equity features (conversion feature and warrants) meet the fix for fix criteria and therefore it is allocated to the equity section. 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 CAD$12 before the maturity of the convertible debenture.

As a result of the above, the Company was required to first calculate the fair value of the loan as of February 1, 2023 and the residual was allocated to equity components. At each reporting date, the debenture portion gets accreted towards its face value.

Promissory note- On May 1, 2023, and May 29, 2023, respectively, the Company entered into a secured, non- convertible promissory note for gross proceeds of $178 bears interest at a rate of 12% per annum from the date of issuance.

On November 01, 2023, the Company received extension for its convertible debentures and Promissory note from a maturity of October 31, 2023 to October 31, 2024. In addition, the Company granted 450,000 warrants with an exercise price of CAD$0.24 per warrant with a three year expiry. The new debentures are convertible into common shares of the Company at a conversion price, subject to adjustments, of CAD$0.24 per share .

(Expressed in thousands of United States Dollars)

The following table reflects the continuity of the components of the convertible debentures and equity component as of December 31, 2023:

	Convertible debenture	Equity-convertible debenture	Promissory note	Total
Balance at January 1, 2023	$ -	$ -	$ -	$ -
Additions	415	35	178	628
Transaction costs	(11)	(1)	-	(12)
Interest and accretion	113	-	12	125
Terms change, net	119	71	(190)	-
Balance at December 31, 2023	**636**	**105**	**-**	**741**

14. LONG-TERM LOANS

The Company has a long-term loan facility. The long-term loan was originally in the amount of $85 (300 NIS) from a bank in Israel and matures in May 2025. The loan was received in NIS. It bears interest at 3.1% per annum. During the year ended on December 31, 2023, the Company repaid $16. The balance owing as of December 31, 2023 is $16. (As of December 31, 2022 - $32).

15. SHARE CAPITAL

The Company is authorized to issue an unlimited number of common shares without par value.

As of December 31, 2023, there are 5,194,856 (December 31, 2022 – 5,082,134) shares outstanding.

(i) During the year ended December 31, 2023, the Company issued 112,722 common shares on the vesting of RSUs (see note 17).During the eleven months ended December 31,2022, the company issued 9,960 in common shares to settle debt of $296 to various non-related parties.

(ii) On August 16, 2022, the Company completed the acquisition of Spetz (See Note 4) by issuing 2,301,465 common shares in exchange of for 100% of the issued and outstanding shares of Spetz. The fair value on the common shares issued was $5,367. In connection with this 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 is comprised of 40,000 common shares of the Company with a fair value of $93.

(iii) The Company completed on October 5, 2023, with an effective date of October 10, 2023, a share consolidation of its issued and outstanding common shares on a basis of one post-consolidation common share for every 100 pre-consolidation common shares. At the time of consolidation, the Company had 516,215,000 issued and outstanding common shares. Following the consolidation the issued and outstanding common shares of the company were reduced to approximately 5,162,150 common shares.

(Expressed in thousands of United States Dollars)

16. WARRANTS

Share purchase warrant transactions for the year ended December 31, 2023, and the eleven months ended December 31, 2022, are as follows:

	Number of Warrants	Weighted Average Exercise Price (CAD)
Balance outstanding, February 1, 2022	**729,542**	**$ 30.500**
Warrants expired	(125,640)	(6.000)
Balance outstanding, December 31, 2022	**603,902**	**$ 36.200**
Warrants expired	(195,730)	(36.500)
Warrants issued(i)	200,000	5.000
Warrants issued(i)	450,000	0.240
Balance outstanding, December 31, 2023	**1,058,172**	**$ 15.334**

Warrant price (CAD$)	**Outstanding**	**Expiry date**
At $5.00	200,000	January 31, 2026
At $0.24	450,000	October 31, 2026
At $36.50	377,937	September 17, 2024
At $43.75	30,235	September 17, 2024
Total	1,058,172	

i. See note 13 in connection with the 200,000 and 450,000 warrants issued in connection with convertible debenture financing closed on February 1, 2023, and with convertible debenture maturity extension closed on November 1, 2023, accordingly.

ii. Prior period share amounts have been adjusted to reflect the Share consolidation effected in October 2023. see Note 15 for details

(Expressed in thousands of United States Dollars)

17. STOCK OPTIONS AND RESTRICTED SHARE UNITS

The Company has a Share Option Plan (the "Plan") under which it is authorized to grant options and restricted share units to purchase common shares of the Company to directors, senior officers, employees and/or consultants of the Company. The aggregate number of shares of the Company which may be issued and sold under the Plan will not exceed 10% of the total number of common shares issued and outstanding from time to time. Share options are granted with a maximum term of ten years with vesting requirements at the discretion of the Board of Directors.

Company records a charge to the statement of loss and comprehensive loss using the Black-Scholes fair valuation option pricing model with respect to a share option grant. The valuation is dependent on a number of estimates, including the risk-free interest rate, the level of share volatility, together with an estimate of the level of forfeiture. The level of share volatility is calculated with reference to the historic traded daily closing share price at the date of issue. Option pricing models require the input of highly subjective assumptions including the expected price volatility. Changes in the subjective input assumptions can materially affect the fair value estimate, and therefore the existing models do not necessarily provide a reliable measure of the fair value of the Company's share purchase options.

	Stock Options	Weighted Average Exercise Price (CAD)
Options outstanding, February 1, 2022	**216,000**	**$ 23.200**
Issued	93,500	5.000
Exercised	-	-
Forfeited	(142,500)	(21.300)
Options outstanding, December 31, 2022	**167,000**	**$ 14.500**
Issued	-	-
Exercised	-	-
Forfeited/Expired	(104,500)	(20.000)
Options outstanding, December 31, 2023	**62,500**	**$ 5.000**
Exercisable options	52,500	$ 5.000

	Fiscal ended December 31, 2023	Fiscal ended December 31, 2022	Fiscal January 31, 2022
Number of options granted	-	9,350	15,750
Exercise price (CAD$)	-	$5 to $10	$10 to $39
Risk free interest rate	0.000%	2.63%-3.15%	0.20%-1.26%
Expected dividend yield	0.00%	0.00%	0.00%
Expected volatility	0%	115%-165%	134%-262%
Expected life of the options	-	5 years	2 years

(Expressed in thousands of United States Dollars)

The following table reflects the actual stock options outstanding as of December 31, 2023:

Option price (CAD$)	Options Outstanding		Weighted Average Exercise Price (CAD$)	Weighted Ang Remaining Contractual Life (Yrs.)	Options Exercisable
At $5	62,500	$	5.000	3.70	52,500

Vesting Schedule	
Immediate	52,500
1 year	10,000

i. Prior period share amounts have been adjusted to reflect the Share split effected in October 2023. see Note 15 for details.

Restricted share units

The Company issued 241,631 RSU under the equity incentive plan during the year ended December 31, 2023. Each RSU entitles the recipients to receive one common share of the Company on vesting. The outstanding RSUs vest according to the underlying agreements and range from quarterly basis or over 3 year period and are subject to certain performance criteria in order to vest to the holders. These RSUs are held by certain officers and directors of the Company.

All other terms and conditions of the RSUs are in accordance with the Company's equity incentive plan. The fair value of RSU was determined by the Company's share price on the date of the award.

Below is a summary of the status of the RSUs at December 31, 2023.

	RSUs		Weighted Average Exercise Price (CAD)
RSUs outstanding, February 1, 2022	**21,500**	**$**	**8.000**
Issued	338,697		4.000
Exercised	(30,019)		(5.000)
Forfeited	(31,284)		(4.000)
RSUs outstanding, December 31, 2022	298,893	$	5.000
Issued	241,631		1.230
Exercised	(112,722)		(1.470)
Forfeited	(60,930)		1.400
RSUs outstanding, December 31, 2023	**366,872**	**$**	**2.500**

Vesting Schedule	
Immediate	198,488
over 1 year	168,384

(Expressed in thousands of United States Dollars)

The following table reflects the actual restricted share units outstanding as of December 31, 2023:

RSU price (CAD$)	RSUs Outstanding		Weighted Average Exercise Price (CAD)	Weighted Ang Remaining Contractual Life (Yrs.)	RSUs Exerciseable
At $1	81,543	$	1.000	2.32	81,543
At $1.5	27,065	$	1.500	2.28	27,065
At $2	20,414	$	2.000	2.19	20,414
At $2.5	13,501	$	2.500	1.94	13,501
At $3	199,886	$	3.000	5.33	31,502
At $3.5	14,106	$	3.500	1.68	14,106
At $7	10,357	$	7.000	1.10	10,357

18. INCOME TAX

The Company's provision for income taxes differs from the amounts computed by applying the basic current rate of 26.5% for Ontario, 23% for Israel, 21% for United State, 25% for Australia and United Kingdom to income for the

		December 31, 2023		'December 31, 2022
Loss before income taxes	$	(7,898)	$	(11,046)
Statutory rate		21%-26.5%		26.5%
Expected income tax recovery at combined basic federal and provincial tax rates		(2,041)		(2,927)
Effect on income taxes of:				
Share-based payment expense		64		217
Other permanent differences		1,501		1,401
Share issue costs recorded directly to equity				-
Difference in foreign tax rates				9
Changes in tax benefits not recognized		476		2,186
Income tax recovery	**$**	**-**	**$**	**886**

year before taxes as shown in the following table:

Deferred income taxes

Deferred income taxes are provided as a result of temporary differences that arise due to the differences between the income tax values and the carrying values of assets and liabilities. The temporary differences and unused tax losses that give rise to deferred income tax assets are presented below:

		December 31, 2023		'December 31, 2022
Non-capital and capital losses carried forward	$	4,601	$	4,166
Capital assets		2,155		791
Deferred financing fees and other		213		215
Deferred tax assets		6,969		5,172
Less: deferred tax assets not recognized		(6,969)		(5,172)
Net deferred tax assets (liability)	$	-	$	-

(Expressed in thousands of United States Dollars)

As at December 31, 2023, the Company had non-capital and capital tax losses of $17,284 ,available to use against future taxable income for income tax purposes. The non-capital losses expire from 2026 through 2043. No deferred tax assets were recognized in respect

19. COST OF REVENUE

	Year ended December 31, 2023	11 months ended December 31, 2022
Payroll and related expenses	$ 259	$ 19
System expenses	185	15
	$ 444	**$ 34**

20. REVENUE BY GEOGRAPHICAL MARKETS

Set out below is the revenue of the company for 2023 year by geographical market

	Year ended December 31, 2023	11 months ended December 31, 2022
Israel	$ 1,761	$ 869
Australia	133	68
United Kingdom	100	53
United State	37	7
	$ 2,031	**$ 997**

21. SALES AND MARKETING EXPENSES

	Year ended December 31, 2023	11 months ended December 31, 2022
Promotion marketing	$ 1,004	$ 502
Payroll and related expenses	201	240
Subcontractors	62	44
	$ 1,267	**$ 786**

(Expressed in thousands of United States Dollars)

22. GENERAL AND ADMINISTRATION

	Year ended December 31, 2023	11 months ended December 31, 2022
Depreciation and amortization expenses	$ 919	$ 413
Payroll and related expenses+management fee	582	534
Professional fees-Legal and accounting	337	127
Office expenses	245	338
Share based compensation	243	819
Consulting fees	127	446
Bad debt	98	107
System and IT expenses	49	-
Subcontractors	45	-
Acquisition costs, net	-	253
Other	76	118
	$ 2,721	**$ 3,155**

23. RESEARCH EXPENSES

	Year ended December 31, 2023	11 months ended December 31, 2022
Payroll and related expenses	$ 442	$ 237
Subcontractors	48	59
System expenses	10	-
Other expenses	7	25
	$ 507	**$ 321**

(Expressed in thousands of United States Dollars)

24. FINANCIAL INSTRUMENTS

Fair value

Financial instruments of the Company consist of cash, investments, receivables, other receivables, accounts payable and accrued liabilities, short term bank credit facility, other payables, related party payables, and long term loans. There are no significant differences between the carrying amounts of the items reported on the statements of financial position and their estimated fair values.

The Company has determined the estimated fair values of its financial instruments based on appropriate valuation methodologies. Where quoted market values are not readily available, the Company may use considerable judgment to develop estimates of fair value. Accordingly, any estimated values are not necessarily indicative of the amounts the Company could realize in a current market exchange and could be materially affected by the use of different assumptions or methodologies.

The Company's risk exposures and their impact on the Company's financial instruments are summarized below:

Credit risk

Credit risk arises when a failure by counterparties to discharge their obligations could reduce the amount of future cash inflows from financial assets on hand at the balance sheet date. The Company closely monitors the activities of its counterparties and controls the access to its intellectual property which enables it to ensure the prompt collection of customers' balances. The Company's main financial assets are cash and cash equivalents as well as other receivables.

Wherever possible and commercially practical the Company holds cash with major financial institutions in Canada and Israel.

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date is:

Financial Instrument	**December 31, 2023**	**December 31, 2022**
Cash and cash equivalents	$ 22	$ 397
Restricted deposits	53	54
Accounts receivable	473	435
Other receivables	17	53
Total	**$ 565**	**$ 939**

(Expressed in thousands of United States Dollars)

Currency risk

Currency risk is the risk that the value of financial instruments will fluctuate due to changes in foreign exchange rates. Currency risk arises when future commercial transactions and recognized assets and liabilities are denominated in a currency that is not the Company's functional currency. The Company is exposed to foreign exchange risk arising from various currency exposures primarily with respect to the Canadian dollar, New Israeli Shekel, AUD, and GBP. The Company's policy is not to enter into any currency hedging transactions.

The carrying amounts of the Company's foreign currency denominated monetary assets and monetary liabilities at the reporting date are as follows:

	USD	CAD	NIS	AUD	GBP	Total
Financial assets						
Cash and cash equivalents	$ -	$ 8	$ 0	$ 10	$ 4	$ 22
Restricted cash	-	-	53	-	-	53
Accounts receivables	16	-	385	16	55	473
Other receivables	-	5	12	-	-	17
	16	13	450	26	59	564
Financial Liabilities						
Accounts payable and accrued liabilities	-	426	528	52	42	1,049
Short-term bank credit	-	-	333	-	-	333
Other payables	-	-	774	32	40	845
Related party payables	-	-	654	-	-	654
Convertible debenture	-	636	-	-	-	636
Long term loans	-	-	16	-	-	16
	-	1,062	2,305	84	82	3,533
Net	$ 16	$ (1,049)	$ (1,855)	$ (58)	$ (23)	$ (2,969)

Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market prices comprise four types of risk: interest rate risk, foreign exchange risk, commodity price risk and other price risk, such as equity risk. Financial instruments affected by market risk include investments, and short and long term borrowings.

Interest rate risk

The Company is exposed to interest rate risk. Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in market interest rates. The Company is exposed to interest rate risk arising from fluctuations in interest rates received on its cash balance. Fluctuations in market interest rates do not have a significant impact on the Company's results of operations due to the short-term nature of interest-bearing cash.

The Company also has interest bearing convertible debentures and long-term loans which have fixed rate interest rates until maturity and are therefore not subject to fluctuations in market interest rates until maturity.

(Expressed in thousands of United States Dollars)

Liquidity risk

Liquidity risk is the risk that arises when the maturity of assets and the maturity of liabilities do not match. An unmatched position potentially enhances profitability, but can also increase the risk of loss. The Company has procedures with the object of minimizing such losses by maintaining sufficient cash and other highly liquid current assets and by having available an adequate amount of committed credit facilities.

The following tables detail the Company's remaining contractual maturity for its financial liabilities. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Company can be required to pay.

Financial Instrument	Up to 1 year	Between 1 and 2 year
Accounts payable and accrued liabilities	$ 1,049	$ -
Short-term bank credit	333	-
Other payables	845	-
Related party payables	654	-
Long term loans	-	16
Convertible debenture: principal and interest	767	-
Total	**$ 3,648**	**$ 16**

25. RELATED PARTY TRANSACTIONS AND KEY MANAGEMENT COMPENSATION

Key management compensation

Key management includes members of the board of directors, the Chief Executive Officer and the Chief Financial Officer. The aggregate value of transactions relating to key management personnel and entities over which they have control or significant influence were as follows for the year ended December 31, 2023, and December 31, 2022:

	December 31, 2023	December 31, 2022
CEO		
Short term compensation	$ 185	$ 177
Share based payments	75	153
Total CEO compensation	**260**	**330**
CFO		
Short term compensation	53	65
Share based payments	-	3
Total CFO compensation	**53**	**68**
Directors		
Short term compensation	111	136
Share based payments	-	258
Total Directors compensation	**111**	**394**
	$ 424	**$ 792**

Related party

The Company has an outstanding balance from the Company's CEO and Director, Yossi Nevo, due loans and unpaid salary of $607, not including interest. The loan bear an interest of 6.91% (total interest as of December 31, 2023 $47).

26. COMMITMENTS

The Company has no commitments as of December 31, 2023.

27. DISCONTINUED OPERATIONS

During the period ended December 31, 2022, the Company decided that it would discontinue supporting and developing its Cryptohawk.ai application and put the Company's entire focus on the Spetz operations. The Company had commenced winding down these operations by the end of the fiscal year. Assets classified as held for sale include investments held by the Company which are no longer core to the Company's strategy and the digital currencies it holds.

Below represents the net assets held as discontinued:

		December 31, 2023		December 31, 2022
Assets				
Investments		90		500
Total assets held for sale	**$**	**90**	**$**	**500**
Liabilities				
Deferred revenue		-		3
Total liabilities held for sale		-		3
Net assets of discontinued operations	**$**	**90**	**$**	**497**

Below represents the discontinued operations for the year ended December 31, 2023 and 11 months ended December 31, 2022:

(Expressed in thousands of United States dollars)

For the year ended December 31, 2023 and the 11 months ended December 31, 2022		December 31, 2023		December 31, 2022
Revenue				
Consulting fees		-		500
		-		500
Expenses				
Consulting fees		-		557
Professional fees		-		43
Sales and marketing expenses		-		125
Business development		-		268
General and Administration		-		148
Research expenses		-		147
Total expenses		-		1,288
Realized gain on sale of digitial currencies		-		15
Unrealized loss on digital currencies		-		(437)
Unrealized income/(loss) on investments		25		(5,022)
Impairment on investments		(414)		-
Loss before income taxes		(389)		(6,232)
Income tax		-		-
Net loss from discontinued operations	**$**	**(389)**	**$**	**(6,232)**
Other comprehensive income/(loss)				
Foreign exchange loss on translating foreign operations		4		-
Unrealized loss on digital currencies		-		(596)
Other comprehensive loss for the period		4		(596)
Comprehensive loss for the period		(385)		(6,828)

(Expressed in thousands of United States Dollars)

Cash flows from discontinued operations are as follows for the year ended December 31, 2023 and the 11 months ended December 31, 2022:

	December 31, 2023	December 31, 2022
Cash flows from Operating Activities		
Net Loss for the year	$ (389)	$ (6,232)
Non-cash items:		
Realized (gain)/loss on digital currencies	-	(15)
Impairment on investments	414	-
Unrealized loss on digital currencies	-	437
Foreign exchange gain	-	(235)
Amortization expense	-	-
Unrealized loss on investments	-	5,022
Net change in non-cash working capital items:		
Accounts receivable	-	-
Deferred revenue	-	(3)
Accounts payable and accrued liabilities	-	-
Cash used in operating activities	**$ 25**	**$ (1,026)**

28. SUBSEQUENT EVENTS

The Company announced on April 8, 2024, it had closed a debt conversion plan, the plan allows selected vendors and creditors to convert outstanding payments of $173 into a total of 572,532 shares.