FORM 51-102F3

BUSINESS ACQUISITION REPORT

ITEM 1 IDENTITY OF COMPANY

1.1 Name and Address of Company

*Mobilum Technologies Inc. (the "**Company**")*
Suite 700, 838 West Hastings Street
Vancouver, British Columbia, V6C 0A6

1.2 Executive Officer

*The name and business telephone number of an executive officer who is knowledgeable about the significant acquisition and this business acquisition report (the "**Report**") is Wojciech Kaszycki, Chief Executive Officer, and his business telephone number is (+48) 509-936-781.*

ITEM 2 DETAILS OF ACQUISITION

2.1 Nature of Business Acquired

*The Company acquired (the "**Transaction**") the business of Mobilum OÜ ("**Mobilum**"). Mobilum is a provider of fiat infrastructure to the digital currency industry as well as a payment processing technology for use with exchanges, wallets, brokers, liquidity providers and businesses utilizing digital currencies.*

2.2 Acquisition Date

July 15, 2021

2.3 Consideration

Total consideration for the Transaction was $16,000,000, which was satisfied through the issuance of 26,666,667 common shares of the Company at a deemed price of $0.60 per share.

2.4 Effect on Financial Position

Following completion of the Transaction, the business and operations of Mobilum have been combined with those of the Company and are managed concurrently. The existing payment processing technology developed by Mobilum will be integrated with the existing operations of the Company. The Transaction will also allow the Company to offer additional product features through the Mobilum platform.

Other than set forth above, the Company does not presently have any plans or proposals for material changes to the affairs (corporate structure, personnel or management) of the Company, or Mobilum, that will have an impact on the financial performance and financial position of the Company.

2.5 Prior Valuations

Not applicable.

2.6 Parties to Transaction

The Transaction was not with an informed person (as such term is defined in Section 1.1 of National Instrument 51-102 – Continuous Disclosure Obligations), associate or affiliate of the Company.

2.7 Date of Report

November 24, 2021

ITEM 3 FINANCIAL STATEMENTS AND OTHER INFORMATION

3.1 Audited Financial Statements

Attached to this Report as Appendix "A" are the audited financial statements of Mobilum for the years ended December 31, 2020 and 2019, together with the notes thereto and the auditor's report thereon.

The auditors of the audited financial statements of Mobilum, which are attached and form part of the Report, have not provided their consent to the inclusion of their audit report.

3.2 Interim Financial Statements

Attached to this Report as Appendix "B" are the unaudited interim financial statements of Mobilum for the six-month period ended June 30, 2021.

FORWARD-LOOKING INFORMATION

This business acquisition report contains "forward-looking information" and "forward-looking statements" within the meaning of applicable securities laws. This information and statements address future activities, events, plans, developments and projections. All statements, other than statements of historical fact, constitute forward-looking statements or forward-looking information. Such forward-looking information and statements are frequently identified by words such as "may," "will," "should," "anticipate," "plan," "expect," "believe," "estimate," "intend" and similar terminology, and reflect assumptions, estimates, opinions and analysis made by management of the Company in light of its experience, current conditions, expectations of future developments and other factors which it believes to be reasonable and relevant. Forward-looking information and statements involve known and unknown risks and uncertainties that may cause the Company's actual results, performance and achievements to differ materially from those expressed or implied by the forward-looking information and statements and accordingly, undue reliance should not be placed thereon. Risks and uncertainties that may cause actual results to vary include but are not limited to the availability of financing; changes to and compliance with applicable laws and regulations; political, economic and other risks; as well as other risks and uncertainties which are more fully described in the Company's annual and quarterly Management's Discussion and Analysis and in other filings made by the Company with Canadian securities regulatory authorities and available at www.sedar.com*. The Company disclaims any obligation to update or revise any forward-looking information or statements except as may be required.*

MOBILUM OÜ

Consolidated Financial Statements

As at and for the Years Ended December 31, 2020 and December 31, 2019

(Expressed in Euros)

Page

CONSOLIDATED FINANCIAL STATEMENTS

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Auditing license #284

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of Mobilum OÜ

Disclaimer opinion

We were engaged to audit the consolidated financial statements of Mobilum OÜ (the Company), which comprise the consolidated statements of financial position as of December 31, 2019 and December 31, 2020, the consolidated statements of net and comprehensive profit and loss, consolidated statements of cash flows, consolidated statements of changes in equity for the years then ended, and notes to the financial statements, including a summary of significant accounting policies.

We do not express an opinion on the accompanying financial statements of the Company. Because of the significance of the matters described in point 1 and 2 of the *Basis for Disclaimer of Opinion* section of our report, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on these financial statements.

Basis for Disclaimer of Opinion

1.During the audit we did not obtain sufficient appropriate audit evidence on the amounts of funds exchanged to crypto assets and whether all those crypto assets were transferred to clients because part of transactions cannot be verified by external confirmations or amounts in accounting books differ from ones included in the confirmations. We were not able to identify the owners of the cryptocurrency wallets for the part of transactions. The complete history of transactions cannot be reproduced using online access and audit trails cannot be established between a significant portion of deposited and withdrawn amounts.

2.The consolidated statements of net and comprehensive profit and loss and accounting books do not record gains and losses on currency exchange rates, bank charges and brokerage fees on exchanges to/from crypto assets and on transfer of crypto assets to clients. We were not able to identify the possible effect of the above issue on the presentation, completeness and accuracy of related gains and expenses in the financial statements.

3.The company management has not assessed and recorded provisions for possible legal expenses as of 31.12.2020. The amount of such expenses based on our estimation can be up to EUR 400,000 euros. Because of the above the liabilities and the net loss may be underestimated as of 31.12.2020 and for the period then ended.

Material Uncertainty Related to Going Concern

We draw attention to Note 1 to the financial statements, which shows that the company has experienced difficulties with earning profits in both 2019 and 2020 and current liabilities exceeded its total assets as of December 31, 2020. As stated in Note 1 to the financial statements, these events or conditions, along with other matters as set forth the note, 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

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

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

In preparing the financial statements, management is responsible for assessing the 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 Financial Statements

Our responsibility is to conduct an audit of the Company's financial statements in accordance with International Standards on Auditing and to issue an auditor's report. However, because of the matters described in the *Basis for Disclaimer of Opinion* section of our report, we were not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on these financial statements.

We are independent of the Company in accordance with the Code of Ethics for Professional Accountants (including Independence Standards), and we have fulfilled our other ethical responsibilities in accordance with these requirements.

October 28, 2021

On behalf of Crowe DNW Ltd

Vadim Donchevski
Certified Public Accountant (#248)

Mobilum OÜ
Consolidated Statements of Financial Position
As at December 31, 2020 and December 30, 2019
(Expressed in Euros)

	Note	**December 31, 2020**	December 31, 2019
ASSETS			
Current assets			
Cash		**20,888**	0
Due from related party	4,7	**60,474**	2,500
Loan receivable	4	**50,000**	0
Interest receivable		**583**	0
Prepaid expenses and deposits		**501**	0
Sales tax receivable	4	**1,083**	0
Total current assets		**133,529**	2,500
Total assets		**133,529**	2,500
LIABILITIES			
Current liabilities			
Accounts payable and accrued liabilities		**6,086**	440
Due to related party	7	**131,136**	666
Other taxes payable		**1,054**	0
Total current liabilities		**138,276**	1,106
Non- current liabilities			
Loans	7	**44,841**	0
Total Non-current liabilities		**44,841**	0
Total liabilities		**183,027**	1,106
EQUITY (DEFICIENCY)			
Share capital	8	**12,022**	2,500
Surplus / (Deficit)		**-61,584**	1,106
Translation difference		**-4**	0
Minority interest		**-22**	0
Total equity / (deficiency)		**-49,588**	1,394
Total liabilities and equity (deficiency)		**133,529**	2,500

Nature of operations and going concern (Note 1)
Commitments (Note 13)
Subsequent events (Note 15)

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

Approved On behalf of the Board of Directors, on October 25, 2021

Wojciech Kaszycki, Director

Mobilum OÜ
Consolidated Statements of Net and Comprehensive Loss
For the years ended December 31, 2020 and 2019
(Expressed in Euros)

	Note	For the Year Ended December 31, 2020	December 31, 2019
Transaction fees	3,6	**151,118**	0
Cost of sales	3,6	**-135,881**	0
Gross profit		**15,237**	0
OPERATING EXPENSES			
General and administrative		**15,158**	1,106
Research and development	3	**60,261**	0
Total operating expenses		**-75,419**	-1,106
Loss before other items		**-60,182**	-1,106
Interest expense		**-250**	0
Interest income		**582**	0
Other income		**424**	0
Loss before taxes		**-59,426**	-1,106
Other tax expense		**-1,052**	0
Net loss		**-60,478**	-1,106
COMPREHENSIVE LOSS FOR THE YEAR		**-60,478**	-1,106
LOSS PER SHARE, Basic and Diluted		**-5.04**	-0.44
WEIGHTED AVERAGE NUMBER OF COMMON SHARES OUTSTANDING, Basic and Diluted	8	**12,000**	2,500

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

Mobilum OÜ
Consolidated Statements of Cash Flows
For the years ended December 31, 2020 and 2019
(Expressed in Euros)

	Year Ended	
	December 31, 2020	**December 31, 2019**
Cash provided by (used in)		
Operating activities		
Net loss for the year	**-60,478**	-1,106
Changes in non-cash working capital:		
Accounts payable and accrued liabilities	**1,100**	440
Amounts payable to related parties	**136,070**	666
Due from related party	**-60,474**	2,500
Interest receivable	**-583**	0
Prepaid expenses and deposits	**-501**	0
Taxes recoverable	**-1,083**	0
Taxes payable		0
Net cash used in operating activities	**14,051**	2,500
Financing activities		
Loans	**44,841**	0
Loans granted	**-50,000**	0
Proceeds from issuance of shares	**12,000**	2,500
Net cash provided by financing activities	**6,841**	2,500
Increase in cash	**20,892**	0
Cash, beginning of the year	**0**	0
Effect of exchange rate on cash	**-4**	0
Cash, end of the year	**20,888**	0

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

Mobilum OÜ
Consolidated Statements of Changes in Equity
For the years ended December 31, 2020 and 2019
(Expressed in Euros)

	Share capital						
	Shares issued	Amount	Surplus / (Deficit)	Total	Non-controlling interest	Currency translation difference	Total Equity
Balance, December 31, 2018	2,500	2,500	0	2,500	0	0	2,500
Comprehensive loss for the year			-1,106	-1,106			-1,106
Balance, December 31, 2019	2,500	2,500	-1,106	1,394	0	0	1,394
Share issuance	9,500	9,522		9,522	-22		9,500
Comprehensive loss for the year			-60,478	-60,478			-60,478
Currency translation difference						-4	-4
Balance, December 31, 2020	**12,000**	**12,022**	**-61,584**	**-49,562**	**-22**	**-4**	**-49,588**

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

1. NATURE OF OPERATIONS AND GOING CONCERN

Mobilum OÜ (the "Company", "Mobilum") was incorporated on November 2, 2018 under the Laws of Estonia. The Company is a private company. Mobilum, is a financial technology start-up that provides the fiat infrastructure to the cryptocurrency industry, is a licensed plug-and-play fiat-to-crypto gateway and payment processing technology solution for exchanges, wallets, brokers, liquidity providers and other cryptocurrency businesses. Mobilum's simple-to-use on-ramp and off-ramp solution makes integration easy for businesses whose users buy and sell cryptocurrencies with credit and debit cards. Mobilum guarantees zero chargebacks, the highest acceptance rates and the lowest transaction fees in the industry. The Company also develops and licenses its software in the digital asset industry. The Company head office is located at Parda tn 4-ruum 309, Kesklinna linnaosa, Tallinn, Harju maakond, 10151, Estonia.

The Company incurred a comprehensive loss for the year ended December 31, 2020 of €60,478. As at December 31, 2020, the Company had a working capital deficiency of €4,747 and an accumulated deficit of €61,584. The Company's ability to continue operations in the normal course of business is dependent upon establishing sufficient cash flows from its digital asset transaction service, or on the receipt of additional debt or equity financing. The nature and significance of these conditions along with the continuing losses and accumulated deficit indicates the existence of a material uncertainty, which casts significant doubt about the Company's ability to continue as a going concern. These consolidated financial statements do not give effect to any adjustments which would be necessary should the Company be unable to continue as a going concern and, therefore, be required to realize its assets and discharge its liabilities in other than the normal course of business and at amounts different than those reflected in the consolidated financial statements. Such adjustments could be material.

In March 2020, the World Health Organization declared a global pandemic known as COVID-19. The expected impacts on global commerce are expected to be far reaching. Material uncertainties may come into existence that could influence management's going concern assumption. The duration and impact of the COVID-19 outbreak is unknown at this time and it is not possible to reliably estimate the length and severity of these developments and the impact on the financial results and condition of the Company and its subsidiaries, in future periods, such as:

- The impact on the Company's products and services and supply chains in the near-term
- The availability of external funding sources during the next fiscal period
- The effect on labour availability due to the severity and the length of potential measures taken by governments to manage the spread of the disease

The effect of COVID-19 has had material and significant impact on the Company's operations. The Company's operations have been affected by complete shut down in operations, the inability to continue development on its technologies, a down turn in successful business development, the inability to meet operational and technology milestones, and the inability to be compliant in making its required continuous disclosure filings with securities regulatory authorities in a timely manner.

The Company continues to closely evaluate the impact of COVID-19 on its operations.

2. BASIS OF PRESENTATION

Statement of compliance

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

These consolidated financial statements are authorized for issue by the Board of Directors on October 25, 2021.

These consolidated financial statements have been prepared on the historical cost basis. In addition, these consolidated financial statements have been prepared using the accrual basis of accounting. These financial statements have been prepared on the basis that the company will continue as a going concern.

2. BASIS OF PRESENTATION (continued)

Functional and Presentation Currency

These consolidated financial statements are presented in Euros unless otherwise noted. The financial statements of each company within the consolidated group are measured using the currency of the primary economic environment in which the entity operates (the functional currency). The functional currency of Mobilum OÜ ("parent") and Moblium Pay Sp. Z o.o is the Euro ("EUR").

Transactions in currencies other than the functional currency are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. At each financial reporting date, monetary assets and liabilities denominated in foreign currencies are translated to the functional currency at the exchange rate at the reporting date. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities are recognized in the consolidated statement of loss and comprehensive loss.

Basis of consolidation

These consolidated financial statements include the accounts of the Company and its wholly-owned legal subsidiaries on a consolidated basis after the elimination of intercompany transactions and balances. Subsidiaries are entities the Company controls when it is exposed, or has rights, to variable returns from its involvement and can affect those returns through its power to direct the relevant activities of the entity. The Company's parent and subsidiaries are as below:

Entity	Place of incorporation	Economic interest	Date of incorporation	Status
Mobilum OÜ	Estonia	Parent	November 2, 2018	Active
Moblium Pay Sp. Z o.o	Poland	98%	November 9, 2020	Active

All inter-company transactions, balances, income and expenses are eliminated on consolidation.

Use of estimates and judgments

The preparation of the consolidated financial statements requires management to make certain estimates, judgments and assumptions that affect the reported amounts of assets and liabilities at the reporting date. Actual results could differ from these estimates.

<u>Critical Judgments</u>

The preparation of these consolidated financial statements requires management to make judgments:

i) Going concern: The going concern of the Company is previously discussed in Note 1.

ii) Functional currency: The functional currency of the Company and its subsidiaries is the currency of the primary economic environment in which each entity operates. The Company has determined the functional currency of the legal parent and subsidiaries as described above. Determination of the functional currency may involve certain judgments to determine the primary economic environment. The functional currency may change if there is a change in events and conditions which determines the primary economic environment.

2. BASIS OF PRESENTATION (continued)

Use of estimates and judgments (continued)

iii) Revenue recognition: The Company's revenue is comprised of services for software development performed for a third party and transactional services in the digital asset sector. Revenues are recognized when performance of services have occurred in accordance with contractual obligations. The Company recognizes revenue in an amount that reflects the transaction price and satisfaction of performance obligations. The area of judgment includes identifying the performance obligation per the definition within IFRS 15 *Revenue from Contracts with Customers* and determining whether control has passed to the customer.

Key sources of estimation uncertainty

Because a precise determination of many assets and liabilities is dependent upon future events, the preparation of consolidated financial statements in conformity with IFRS requires management to make estimates that affect the reported amounts of assets and liabilities and the disclosure of assets and liabilities at the date of the consolidated financial statements and the reported amounts of expenses during the reporting periods. Actual results could differ from those estimates, and such differences could be material. Significant estimates made by management affecting the consolidated financial statements include:

i) Determination of asset fair values and allocation of purchase consideration: Significant asset acquisitions require judgments and estimates to be made at the date of acquisition in relation to determining the relative fair value of computing equipment and future acquisition rights and the allocation of the purchase consideration over the fair value of the assets. The information necessary to measure the fair values as at the acquisition date of assets acquired requires management to make certain judgments and estimates about future events, including but not limited to availability of hardware and expertise, future production opportunities, future digital currency prices and future operating cost.

ii) Digital currency valuation: Digital currencies consist of cryptocurrencies (Note 5) and are included in current assets. Digital currencies are carried at their fair value determined by the closing price of worldcoinindex.com.

2. BASIS OF PRESENTATION (continued)

Use of estimates and judgments (continued)

The cost to sell the digital currencies are considered immaterial and no allowance is made for such costs. The digital currency market is a relatively new market and has been highly volatile; historical prices are not necessarily indicative of future value; a significant change in the market prices for digital currencies will have a corresponding impact on the Company's earnings and financial position.

3. SIGNIFICANT ACCOUNTING POLICIES

Cash and cash equivalents

Cash and cash equivalents include cash on hand and cash deposited with financial institutions.

Digital currencies (Note 5)

Digital currencies consisted of cryptocurrencies and are included in current assets. Digital currencies are carried at their fair value and adjusted at each reporting date for revaluation gains and losses through profit and loss as well as when digital currencies are exchanged or sold for traditional (fiat) currencies, such as the Euro.

The Company's determination to classify its holding of digital currencies as a current asset is based on management's assessment that its cryptocurrencies held can be a commodity that may be readily sold because liquid markets are available.

Financial instruments

The Company classifies its financial assets in the following categories: at fair value through profit or loss ("FVTPL"), at fair value through other comprehensive income ("FVTOCI") and at amortized cost. The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of financial assets at initial recognition. A financial asset is measured at amortized cost if it is held within a business model whose objective is to hold assets and collect contractual cash flows, its contractual terms give rise on specified dates that are solely payments of principal and interest on the principal amount outstanding, and it is not designated as FVTPL.

Equity instruments that are held for trading are classified as FVTPL. For other equity instruments, the Company can make an irrevocable election (on an instrument by-instrument basis) on the day of acquisition to designate them as at FVTOCI.

Financial assets at FVTPL

Financial assets are classified as fair value through profit or loss when the financial asset is held for trading or it is designated as fair value through profit or loss. A financial asset is classified as held for trading if: (i) it has been acquired principally for the purpose of selling in the near future; (ii) it is a part of an identified portfolio of financial instruments that the Company manages and has an actual pattern of short-term profit taking; or (iii) it is a derivative that is not designated and effective as a hedging instrument.

Financial assets classified as fair value through profit or loss are stated at fair value with any gain or loss recognized in the consolidated statements of net loss and comprehensive loss. The net gain or loss recognized incorporates any dividend or interest earned on the financial asset. The Company has classified its investments at fair value through profit orloss.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Financial instruments (continued)

Financial assets at FVTOCI

Investments are initially recognized at fair value plus transaction costs. Subsequently they are measured at fair value, with gains and losses arising from changes in fair value recognized in other comprehensive income. There is no subsequent reclassification of fair value gains and losses to profit or loss following the derecognition of the investment. The Company has not classified any financial assets at FVOCI.

Financial assets at amortized cost

Financial assets at amortized cost are held within a business model whose objective is to hold financial assets in order to collect contractual cash flows, and that the contractual terms of the financial assets give rise on specified date to cash flows that are solely payments of principal and interest on the principal amount outstanding. Financial assets at amortized cost are initially recognized at fair value and are measured subsequent at amortized cost.

The amortized cost of a financial asset is the amount at which the financial asset is measured at initial recognition minus the principal repayments, plus the cumulative amortization using the effective interest method of any difference between that initial amount and the maturity amount, adjusted for any loss allowance.

Interest income is recognized using the effect interest method and is recognized in interest and other income on the consolidated statements of net and comprehensive loss. The Company has classified its cash, accounts receivable and due from related parties as financial assets at amortized cost.

Derecognition of financial assets

Financial assets are derecognized when they mature or are sold, and substantially all the risks and rewards of ownership have been transferred. Gains and losses on derecognition of financial assets classified as FVTPL or amortized cost are recognized in the consolidated statement of net and comprehensive loss. Gains or losses on financial assets classified as FVTOCI remain within accumulated other comprehensive income.

Impairment of financial assets and contract assets

The Company recognizes loss allowances for expected credit losses (“ECLs”) on:

- financial assets measured at amortized cost;
- debt investments measured at FVOCI; and
- contract assets (as defined in IFRS 15).

The Company measures loss allowances at an amount equal to lifetime ECL, except for the following, which are measured as 12-month ECL:

- debt securities that are determined to have low credit risk at the reporting date; and
- other debt securities and bank balances for which credit risk (i.e. the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition.

Loss allowances for accounts receivables and contract assets are always measured at an amount equal to lifetime ECL. When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECL, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Company’s historical experience and informed credit assessment and including forward-looking information.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Financial instruments (continued)

The Company assumes that the credit risk on a financial asset has increased significantly if it is more than 30 days past due.

The Company considers a financial asset to be in default when:

- the borrower is unlikely to pay its credit obligations to the Company in full, without recourse by the Company to actions such as realizing security (if any is held); or
- the financial asset is more than 90 days past due.

The Company considers a debt security to have low credit risk when its credit risk rating is equivalent to the globally understood definition of 'investment grade'.

Lifetime ECLs are the ECLs that result from all possible default events over the expected life of a financial instrument.

12-month ECLs are the portion of ECL's that result from default events that are possible within the 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months).

The maximum period considered when estimating ECLs is the maximum contractual period over which the Company is exposed to credit risk.

Measurement of ECLs

ECLs are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the entity expects to receive). ECLs are discounted at the effective interest rate of the financial asset.

Credit-impaired financial assets

At each reporting date, the Company assesses whether financial assets carried at amortized cost and debt securities at FVOCI are credit impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit-impaired includes the following observable data:

- significant financial difficulty of the borrower or issuer;
- a breach of contract such as a default or being more than 90 days past due;
- the restructuring of a loan or advance by the Company on terms that the Company would not consider otherwise;
- it is probable that the borrower will enter bankruptcy or other financial reorganization; or
- the disappearance of an active market for a security because of financial difficulties.

Presentation of allowance for ECL in the consolidated statement of financial position

Loss allowances for financial assets measured at amortized cost are deducted from the gross carrying amount of the assets. For debt securities at FVOCI, the loss allowance is charged to the consolidated statement of net and comprehensive loss and is recognized in OCI.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Financial instruments (continued)

Investments

Write-off

The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Company determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. However, financial assets that are written off could still be subject to enforcement activities to comply with the Company's procedures for recovery of amounts due.

Financial liabilities

The Company initially recognizes financial liabilities at fair value on the date that they are originated. All financial liabilities (including liabilities designated at fair value through profit or loss) are recognized initially on the date at which the Company becomes a party to the contractual obligations are discharged or cancelled or expire.

The Company classifies its financial liabilities as either financial liabilities at fair value through profit and loss or amortized cost. Subsequent to initial recognition financial liabilities are classified at amortized cost and measured using the effective interest method. Financial liabilities at fair value are stated at fair value with changes being recognized in profit or loss. The Company has classified its accounts payable, notes payable, lease liability and loans payable as financial liabilities at amortized cost. The Company has no financial liabilities designated at FVTPL.

Investments are initially recorded at cost, being the fair value at the time of acquisition. At the end of each financial reporting period, the Company's management estimates the change in fair value of its investments based on the criteria below and records such change in profit and loss:

- There has been a significant new equity financing with arms-length investors at a valuation above or below the current fair value of the investee company, in which case the fair value of the investment is adjusted to the value at which the financing took place; or
- Based on financial information received from the investee company it is apparent to the Company that the investee company is unlikely to be able to continue as a going concern, in which case the fair value of the investment is adjusted downward; or
- There have been significant corporate, operating, technological or economic events affecting the investee company that, in the Company's opinion, have a positive or negative impact on the investee company's prospects and, therefore, its fair value; or
- The investee company is placed into receivership or bankruptcy.

In addition to the circumstances described above, the Company will take into account general market conditions when determining if an adjustment to the fair value of an investment is warranted at the end of each reporting period. In the absence of the occurrence of any of these events, or any significant change in general market conditions, the fair value of the investment is left unchanged.

Application of the valuation techniques above may involve uncertainties and determinations based on the Company's judgment, and any value estimated from these techniques may not be realized.

For those investments in which the Company has significant influence the Company uses the equity method of accounting whereby an equity investment is initially recorded at cost and subsequently adjusted to reflect the investor's share of the net profit or loss of the investee. Any distributions received from the investee company reduce the carrying amount of the investment. As at December 31, 2020, the Company did not have significant influence over any investees.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Current versus non-current classification

The Group presents assets and liabilities in the statement of financial position based on current/non-current classification.

An asset is current when it is:
- Expected to be realised or intended to be sold or consumed in the normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realised within twelve months after the reporting period
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

A liability is current when:
- It is expected to be settled in the normal operating cycle
- It is held primarily for the purpose of trading
- It is due to be settled within twelve months after the reporting period
- There is no unconditional right to defer the settlement of the liability for at least twelve months after
- the reporting period and the terms of the liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

Al other liabilities are classified as non-current.

Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. The expense relating to a provision is presented in the statement of profit or loss net of any reimbursement. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

Intangible assets

The Company owns intangible assets consisting of inhouse developed proprietary software. Expenditures are capitalized only when they increase the future economic benefits embodied in the specific asset to which they relate. All other expenditures are recognized in profit or loss as incurred. The Company does not hold any intangible assets with indefinite lives. Intangible assets with finite lives are amortized over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired.

Research costs are charged to operations when they are incurred. Development costs are capitalized as intangible assets when the Company can demonstrate that the technical feasibility of the project has been established; the Company intends to complete the asset for use or sale and has the ability to do so; the asset can generate probable future economic benefits; the technical and financial resources are available to complete the development; and the Company can reliably measure the expenditure attributable to the intangible assets during its development.

The amortization method and period of an intangible asset with a finite life is reviewed at least annually. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset is accounted for by changing the amortization period or method, as appropriate, and are treated as changes in accounting estimates. Amortization is recognized in profit or loss on a straight-line basis over the estimated useful lives of intangible assets.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Impairment of non-financial assets

The Company reviews the carrying amounts of its non-financial assets, including property and equipment and intangible assets, when events or changes in circumstances indicate the assets may not be recoverable. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss, if any. Where it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs. Assets carried at fair value, such as digital currencies, are excluded from impairment analysis.

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 to be derived from continuing use of the asset or cash generating unit 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. Fair value less cost to sell is the amount obtainable from the sale of an asset or cash-generating unit in an arm's length transaction between knowledgeable, willing parties, less the cost of disposal. When a binding sale agreement is not available, fair value less costs to sell is estimated using a discounted cash flow approach with inputs and assumptions consistent with those of a market participant. If the recoverable amount of an asset or cash generating unit is estimated to be less than its carrying amount, the carrying amount of the asset or cash-generating unit is reduced to its recoverable amount. An impairment loss is recognized immediately in net income. Where an impairment loss subsequently reverses, the carrying amount of the asset or cash-generating unit is increased to the revised estimate of its recoverable amount, such that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognized.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Income taxes

Potential income tax on dividends and other distributions. Under the current Income Tax Act, a company registered in Estonia does not pay income tax earned, but distributed as dividends and other forms. profits, as well as distributions from equity that exceed cash and non-cash contributions to the company's equity. Under that law, profits distributed by a company in the form of dividends and other forms are subject to income tax at the rate of 20/80 of the payout. The balance sheet does not reflect the potential income tax liability in respect of the Company's unrestricted equity that would result from the payment of unrestricted equity; or reduction of capital. Income tax on distributions is recognized when dividends are declared or other equity instruments are deducted as an expense in the income statement at the time the payments are made. The Company has not made any fund issues during its period of operation that would affect the calculation of potential income tax if the company would decide to reduce the share capital.

Additional income taxes that arise from the distribution of profits are recognized at the same time as the liability to pay the related distribution. Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis. (Note 14)

Share capital

Common shares are classified as equity. Transaction costs directly attributable to the issue of common shares and share purchase options are recognized as a deduction from equity, net of any tax effects. For unit offerings, the proceeds from the issuance of units are allocated between common shares and share purchase warrants using the residual method, allocating fair value to the common shares first, and then to the share purchase warrants.

Loss per share

The Company presents basic loss per share for its common shares, calculated by dividing the loss attributable to common shareholders of the Company by the number of common shares outstanding at end of the period.

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. 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. Related parties transactions that are in the normal course of business and have commercial substance are measured at exchange amount.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Revenue recognition

IFRS 15, *Revenue from Contracts with Customers* ("IFRS 15") was issued to replace IAS 18, *Revenue* and IAS 11, *Construction Contracts* and related interpretations such as IFRIC 13, *Customer Loyalty Programs*. IFRS 15 introduces a single contract-based five-step model that applies to contracts with customers and two approaches for the recognition of revenue: at a point in time or over time.

The Company adopted IFRS 15 effective March 1, 2019. The adoption of this standard did not have a material impact on the Company's consolidated financial statements.

The Company uses the following five-step contract-based analysis of transactions to determine if, when and how much revenue can be recognized:

1. Identify the contract with a customer;
2. Identify the performance obligation(s) in the contract;
3. Determine the transaction price;
4. Allocate the transaction price to the performance obligation(s) in the contract; and
5. Recognize revenue when or as the Company satisfies the performance obligation.

These revenue-generating activities of the Company have a single performance obligation and revenue is recognized at the point in time when control of the product transfers to the customer and the Company's obligations have been fulfilled. This generally occurs when the product is shipped or delivered to the customer, depending upon the method of distribution and shipping terms set forth in the contract.

Revenue is measured as the amount of consideration the Company expects to receive in exchange for the sale of the Company's product or the services rendered by the Company.

We primarily generate revenue through transaction fees charged on our platform. Our service comprises a single performance obligation to provide a crypto asset matching service when customers buy, sell, or convert crypto assets on the platform. That is, we are an agent in transactions between customers and present revenue for the fees earned on a net basis.

Judgment is required in determining whether we are the principal or the agent in transactions between customers. We evaluated the presentation of revenue on a gross or net basis based on whether we control the crypto asset provided before it is transferred to the customer (gross) or whether we act as an agent by arranging for other customers on the platform to provide the crypto asset to the customer (net).

When there are transactions that we do control the crypto asset being provided before it is transferred to the buyer, the control period is relatively short-term, the front-end inventory risk related to the crypto asset is negligible as we procure the crypto asset once the order is confirmed, and we are responsible for fulfilment of the crypto asset insofar as to transfer the crypto asset to the customer as soon as practically possible. When there are transactions that we do not control the crypto asset being provided before it is transferred to the buyer, do not have inventory risk related to the crypto asset, and are not responsible for the fulfilment of the crypto asset. We also do not set the price for the crypto asset as the price is a market rate established by more established arms length platforms. As a result, we act as an agent in facilitating the ability for a customer to purchase crypto assets from another customer.

We consider our performance obligation satisfied and recognize revenue at the point in time the transaction is processed. Contracts with customers are usually open-ended and can be terminated by the Company without a termination penalty. Therefore, contracts are defined at the transaction level and do not extend beyond the service already provided. We charge a fee at the transaction level. The transaction price, represented by the trading fee, is calculated based on volume and may vary depending on the payment type and the value of the transaction.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Revenue recognition (continued)

Transactional services (continued)

Crypto asset purchase or sale transactions executed by a customer on our platform include tiered pricing, based primarily on transaction volume. The fee rate charged per transaction is adjusted up or down if the volume processed for a specific historical period meets established thresholds. We have concluded that this volume-based pricing approach does not constitute a future material right since the discount is within a range typically offered to a class of customers with similar volumes. The transaction fee is collected from the customer at the time the transaction is executed. In certain instances, the transaction fee can be collected in crypto assets, with revenue measured based on the amount of crypto assets received and the fair value of the crypto assets at the time of the transaction. In such instances, we conduct periodic checks over the course of a day and convert crypto assets received for transaction fees into fiat currency or fiat stable coin(s) once these assets reach a specified threshold of over €1,000.

Transaction revenue includes reductions in revenue from transaction fee reversals that may not be recovered from customers, and including but not limited to market volatility in foreign exchange and increased transaction prices from our partners. Such reversals are rare and occur when the customer disputes a transaction processed on their credit card or their bank account for a variety of reasons and seeks to have the charge reversed after we have processed the transaction. The total transaction price is allocated to the single performance obligation. While we recognize transaction fee reversals due to transaction reversals as a reduction of net revenue, crypto asset losses due to transaction reversals are included in transaction expenses.

The revenue from service contracts and transactional services is presented under (Note 7)

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Leases

This standard requires the recognition of lease contracts, with exceptions for certain short-term leases and leases of low-value assets, on a lessee's statement of financial position as a 'right-of-use asset' and a lease liability reflecting future lease payments. In addition, the lease payments are required to be presented on the statement of cash flow within operating and financing activities for the interest and principal portions, respectively.

The Company has elected to apply the available exemptions for short-term leases and leases of low-value assets. Leases whose initial term is 12 months or less are charged directly to profit or loss.

The lease liability is initially recognized as the present value of future lease payments discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Company's applicable incremental borrowing rate. The incremental borrowing rate is the rate which the Company would have to pay to borrow, over a similar term and with a similar security, the funds necessary to obtain an asset of similar value to the right-of-use asset. The Company includes the estimated extension of their leases in the lease term in assessing the present value of future lease payments. The lease liability is subsequently measured by reducing the carrying amount to reflect lease payments made and to reflect any reassessments or modifications.

The right-of-use asset is initially measured at cost, which comprises the amount of the initial measurement of the lease liability and any lease payments made at or before the commencement date. The right-of-use asset is subsequently measured at cost less accumulated depreciation and any accumulated impairment losses and adjusted for any remeasurement of the lease liability. Right-of use assets are depreciated in accordance with the Company's accounting policy for property, plant and equipment. Variable lease payments not included in the

Research and development

The primary components of research and development expenses are employee compensation and benefits, professional services, contractor services, and product development.

Foreign exchange

Transactions in currencies other than the functional currency of the Company and its subsidiary are recorded at exchange rates prevailing on the dates of the transactions. At the end of each reporting period, the monetary assets and liabilities of the Company that are denominated in foreign currencies are translated at the rate of exchange at the reporting date while non- monetary assets and liabilities are translated at historical rates. Revenues and expenses are translated at the exchange rates approximating those in effect on the date of the transactions. These exchange gains and losses arising on translation into functional currency are recognized through profit or loss.

The financial results and position of foreign operations whose functional currency is different from the Company's presentation currency are translated as follows:

- assets and liabilities are translated at period-end exchange rates prevailing at that reporting date, and
- income and expenses are translated at average exchange rates for the period.

Exchange differences arising on translation of foreign operations are recognized in other comprehensive income and recorded in the Company's foreign currency translation reserve in equity. These differences are recognized in the profit or loss in the period in which the operation is disposed.

New Accounting Pronouncements

Certain new standards and interpretations have been issued that are mandatory for the annual periods beginning on or after 1 January 2020 or later, and which the Company has not early adopted.

Changes in the conceptual framework for financial reporting
(effective for annual periods beginning on or after 1 January 2020).
The revised Conceptual Framework includes a new chapter on measurement; guidance on reporting financial performance; improved definitions and guidance - in particular the definition of a liability; and clarifications in important areas, such as the roles of stewardship, prudence and measurement uncertainty in financial reporting. Management has assessed that the changes will not have an impact on the financial statements.

Definition of a business – Amendments to IFRS 3
(effective for annual periods beginning on or after 1 January 2020).
The amendments revise the definition of a business. A business must have inputs and a substantive process that together significantly contribute to the ability to create outputs. The new guidance provides a framework to evaluate when an input and a substantive process are present, including for early stage companies that have not generated outputs. An organized workforce should be present as a condition for classification as a business if there are no outputs. The definition of the term 'outputs' is narrowed to focus on goods and services provided to customers, generating investment income and other income, and it excludes returns in the form of lower costs and other economic benefits. Management has assessed that the changes will not have an impact on the financial statements.

Definition of materiality – Amendments to IAS 1 and IAS 8
(effective for annual periods beginning on or after 1 January 2020).
The amendments clarify the definition of material and how it should be applied by including in the definition guidance that until now has featured elsewhere in IFRS. In addition, the explanations accompanying the definition have been improved. Finally, the amendments ensure that the definition of material is consistent across all IFRS Standards. Information is material if omitting, misstating or obscuring it could reasonably be expected to influence the decisions that the primary users of general purpose financial statements make on the basis of those financial statements, which provide financial information about a specific reporting entity. Management has assessed that the changes will not have an impact on the financial statements.

Interest rate benchmark reform – Amendments to IFRS 9, IAS 39 and IFRS 7
(effective for annual periods beginning on or after 1 January 2020).
In September 2019, the IASB issued amendments to IFRS 9, IAS 39 and IFRS 7, which concludes phase one of its work to respond to the effects of Interbank Offered Rates (IBOR) reform on financial reporting. The amendments published, deal with issues affecting financial reporting in the period before the replacement of an existing interest rate benchmark with an alternative interest rate and address the implications for specific hedge accounting requirements in IFRS 9 Financial Instruments and IAS 39 Financial Instruments: Recognition and Measurement, which require forward-looking analysis. The amendments provide temporary reliefs, applicable to all hedging relationships that are directly affected by the interest rate benchmark reform, which enable hedge accounting to continue during the period of uncertainty before the replacement of an existing interest rate benchmark with an alternative nearly risk- free interest rate. There are also amendments to IFRS 7 Financial Instruments: Disclosures regarding additional disclosures around uncertainty arising from the interest rate benchmark reform. The amendments are effective for annual periods beginning on or after 1 January 2020 and must be applied retrospectively. Phase two (ED) focuses on issues that could affect financial reporting when an existing interest rate benchmark is replaced with a risk-free interest rate (an RFR). Management has assessed that the changes will not have an impact on the financial statements.

Covid-19-Related Rent Concessions – Amendments to IFRS 16
(effective for annual periods beginning on or after 1 June 2020).
The amendments provided lessees (but not lessors) with relief in the form of an optional exemption from assessing whether a rent concession related to COVID-19 is a lease modification. Lessees can elect to account for rent concessions in the same way as they would if they were not lease modifications. In many cases, this will result in

(Expressed in Euros)

accounting for the concession as a variable lease payment. The amendment is to be applied retrospectively in accordance with IAS 8, but lessees are not required to restate prior period figure or to provide the disclosure under paragraph 28(f) of IAS 8. Management has assessed that the changes will not have an impact on the financial statements.

Interest rate benchmark (IBOR) reform – phase 2 amendments to IFRS 9, IAS 39, IFRS 7 and IFRS 16
(effective for annual periods beginning on or after 1 January 2021, not yet adopted by the EU).
In August 2020, the IASB published Interest Rate Benchmark Reform – Phase 2, Amendments to IFRS 9, IAS 39, IFRS 7 and IFRS 16, completing its work in response to IBOR reform. The amendments provide temporary reliefs which address the financial reporting effects when an interbank offered rate (IBOR) is replaced with an alternative nearly risk-free interest rate (RFR). In particular, the amendments provide for a practical expedient when accounting for changes in the basis for determining the contractual cash flows of financial assets and liabilities, to require the effective interest rate to be adjusted, equivalent to a movement in a market rate of interest. Also, the amendments introduce reliefs from discontinuing hedge relationships including a temporary relief from having to meet the separately identifiable requirement when an RFR instrument is designated as a hedge of a risk component. Furthermore, the amendments to IFRS 4 are designed to allow insurers who are still applying IAS 39 to obtain the same reliefs as those provided by the amendments made to IFRS 9. There are also amendments to IFRS 7 Financial Instruments: Disclosures to enable users of financial statements to understand the effect of interest rate benchmark reform on an entity's financial instruments and risk management strategy. The impact of the changes is not yet known and cannot be assessed.

IAS 1 Presentation of Financial Statements: Classification of Liabilities as Current or Non-current
(effective for annual periods beginning on or after January 1, 2023, not yet adopted by the EU)
The amendments aim to promote consistency in applying the requirements by helping companies determine whether, in the statement of financial position, debt and other liabilities with an uncertain settlement date should be classified as current or non-current. The amendments affect the presentation of liabilities in the statement of financial position and do not change existing requirements around measurement or timing of recognition of any asset, liability, income or expenses, nor the information that entities disclose about those items. Also, the amendments clarify the classification requirements for debt which may be settled by the company issuing own equity instruments. The impact of the changes is not yet known and cannot be assessed

4. AMOUNTS RECEIVABLE AND DEPOSITS

	December 31, 2020	December 31, 2019
Loan receivable	**50,000**	0
Deposits	**501**	0
Due from related party	**60,474**	2,500
Interest receivables	**583**	0
VAT receivable	**1,083**	0
	112,641	2,500

Accounts receivable as at December 31, 2020 consists of value added taxes receivable of €1,083 (2019 – €Nil) due from the Estonia Tax and Customs Board and accounts receivables to related parties. The Company has subsequently filed the VAT returns and is awaiting assessment.

During the year ended December 31, 2020, the Company made a €50,000 loan to BTC Studios. The loan carries 5% interest and no set repayment date.

5. DIGITAL CURRENCIES

Digital currencies are recorded at their fair value on the date they are acquired and are revalued to their current market value at each reporting date. The fair value is determined using the closing price of the coin at the end of the period quoted on worldcoinindex.com. As at December 31, 2020 and 2019, there were no digital currencies held by the Company.

(Expressed in Euros)

6. SEGMENT REPORTING

The Company generated revenues from its transactional services segment during the year ended December 31, 2020. During the year ended December 31, 2019, the Company had no revenues. Revenues generated for the year ended December 2020 over 90% revenues generated were from the European Union.

For the year ended December 2020, The Company earns its revenues from more than one customer by being an agent in the transactions of digital assets. Therefore, the Company's credit risk minimal as it does not rely on any significant customers in future years.

During the year ended December 31, 2020 the Company's sole operation is providing transactions of digital assets.

For the year ended December 31, 2020:

	Transactional fees	**Total**
Revenue	151,118	151,118
Cost of sales	135,881	135,881
Gross profit	15,237	15,237

For the year ended December 31, 2019:

	Transactional fees	**Total**
Revenue	0	0
Cost of sales	0	0
Gross profit	0	0

(Expressed in Euros)

7. RELATED PARTY TRANSACTIONS AND BALANCES

Related parties include key management personnel and companies under the control of key management personnel. Key management personnel include those persons having authority and responsibility for planning, directing, and controlling the activities of the Company as a whole. The Company has determined that key management personnel consist of members of the Board of Directors and the Company's Chief Executive Officer. During the year ended December 31, 2020 the Company made a series of loans and borrowings from the CEO and companies under the control of the CEO that resulted in offsetted amounts summarized below.

As at December 31, 2020, accounts receivable from the CEO and companies under the CEO's control amounted to €60,474 (2019 - Nil). The terms of the accounts receivable net 30 and carries no interest.

As at December 31, 2020, accounts payable and loans due to the CEO and companies under the CEO's control amounted to €181,487 (2019 – €Nil), of which €129,900 recorded as trades payables (2019 – Nil). The non-current loan of €44,841 has a maturity date of March 17, 2022 and carries an interest of 2% per annum. During the year ended December 31, 2020, in connection with the loan, the Company has made interest payments totalling €250. The loan is in good standing as at December 31, 2020.

	December 31, 2020		December 31, 2019	
Related Party	**Receivables**	**Loans and payables**	**Receivables**	**Loans and payables**
Mobilum Limited	60,474	135,500	0	0
CEO	0	1,146	0	0
BIZMATICA POLSKA S.A.	0	44,841	0	0
Total	60,474	181,487	0	0

As at December 31, 2020, the Company had purchases totalling €129,990 (2019 – Nil) from a Company under the control of the CEO.

	December 31, 2020		December 31, 2019	
Related Party	**Purchases**	**Sales**	**Purchases**	**Sales**
Mobilum Limited	129,990	0	0	0

The above related-party transactions were made on terms equivalent to those that prevail in arm's length transactions and in the normal course of business.

8. SHARE CAPITAL

Authorized

Unlimited common shares without par value.

Share capital

On December 31, 2020, the Company had 12,000 (2019 – 2,500) common shares outstanding, and no stock options or share purchase warrants outstanding.

(Expressed in Euros)

9. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

Financial instruments

The fair value of financial assets and financial liabilities at amortized cost is determined in accordance with generally accepted pricing models based on discounted cash flow analysis or using prices from observable current market transactions. The Company considers that the carrying amount of all its financial assets and financial liabilities recognized at amortized cost in the consolidated financial statements approximates their fair value due to the demand nature or short- term maturity of these instruments.

- Level 1 fair value measurements are those derived from quoted prices in active markets for identical assets or liabilities.
- Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1, that are observable either directly or indirectly.
- Level 3 fair value measurements are those derived from valuation techniques that include inputs that are not based on observable market data.

The Company's financial instruments consist of cash, accounts receivable, due from related parties, accounts payable, notes payable and demand loans and loans payable.

The Company's financial instruments are exposed to certain financial risks. The risk exposures and the impact on the Company's financial instruments are summarized below.

The following table summarizes at what level these financial instruments are valued at:

	Level 1	**Level 2**	**Level 3**	**Total**
December 31, 2020	**€**	**€**	**€**	**€**
Financial Instruments measured at FVTPL				
Cash	20,888	0	0	20,888
Amounts receivables	0	0	112,140	112,140
Amounts payables	0	0	-6,086	-6,086
Due to related party	0	0	-131,136	-131,136
Total Financial Instruments measured at FVTPL	**20,888**	**0**	**-25,082**	**-4,194**

	Level 1	Level 2	Level 3	Total
December 31, 2019	€	€	€	€
Financial Instruments measured at FVTPL				
Due from related party	0	0	2,500	2,500
Amounts payables	0	0	-440	-440
Due to related party, net			-666	-666
Total Financial Instruments measured at FVTPL	0	0	1,394	1,394

10. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (continued)

Financial risk management (continued)

Management has overall responsibility for the establishment and oversight of the Company's risk management framework.

Financial instrument risk exposure

The Company is exposed in varying degrees to a variety of financial instrument related risks. The Board approves and monitors the risk management processes.

Credit risk

Credit risk is the risk of financial loss to the Company if the counterparty to a financial instrument fails to meet its payment obligations. The Company has no material counterparties to its financial instruments with the exception of the financial institutions which hold its cash. The Company's credit risk arises from it deriving revenues from a sole customer, from which management does not believe the Company has a material exposure to credit risk.

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. There is a risk that the Company may not be able to meet its financial obligation when they are due. All of the Company's trade payables are subject to normal trade terms and carry no stated interest payments. The Company has an outstanding of loan of PLN 200,000 (€44,841) carries an interest of 2% per annum and has a maturity date of March 17, 2022 As of December 31, 2020, The Company has no financial assets that are past due or impaired due to credit risk defaults, and believes it will have sufficient cashflows to meet interest payments and discharge the loan as they come due.

Market Risk

Market risk is the risk of loss that may arise from changes in market factors such as interest rates, commodity and equity prices, and foreign exchange rates.

a. *Interest rate risk*

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. As the Company only transacts with fix interest loans and borrowings, it is not exposed to significant interest rate risk.

b. *Price risk*

Price risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in prices. The Company's investments are not exposed to price risk.

c. *Foreign exchange risk*

Foreign exchange risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in the foreign currency exchange rates. The Company's functional and presentation currency is the Euros ("EUR") and historically, major purchases and financings have been transacted in EUR. As the Company's revenues and general and administrative costs are primarily denominated in EUR, however from time to time the Company will transact in currencies other than the EUR and will be exposed to effects of fluctuations in foreign exchange. The Company has an outstanding of loan of PLN 200,000 (€44,841) carries an interest of 2% per annum and has a maturity date of March 17, 2022. A 10% increase or decrease in the Polish zloty to the Euro will result in a increase or decrease of €4,841 to the loan balance and a increase or decrease of €90 in annual interest payments.

11. DIGITAL CURRENCY RISK MANAGEMENT

Digital currencies are determined by prices quoted on worldcoinindex.com.

Digital currency prices are affected by various forces including global supply and demand, interest rates, exchange rates, inflation or deflation and the global political and economic conditions. The profitability of the Company is affected by the current and future market price of digital currencies; in addition, the Company may not be able to liquidate its inventory of digital currencies at its desired price if required. A decline in the market prices for digital currencies could negatively impact the Company's future operations. The Company has not hedged the conversion of any of its digital currency sales.

Digital currencies have a limited history and the fair value historically has been very volatile. Historical performance of digital currencies is not indicative of their future price performance. Our operating results have and will significantly fluctuate due to the highly volatile nature of crypto. Our total revenue is substantially dependent on the prices of crypto assets and volume of transactions conducted on our platform. If such price or volume declines, our business, operating results, and financial condition would be adversely affected.

A majority of our net revenue is from transactions in Bitcoin and Ethereum. If demand for these crypto assets declines and is not replaced by new demand for crypto assets, our business, operating results, and financial condition could be adversely affected.

Cyberattacks and security breaches of our platform, the platform of our competitors and partners, or those impacting our customers or third parties, could adversely impact our brand and reputation and our business, operating results, and financial condition.

12. CAPITAL MANAGEMENT

The Company manages its capital to maintain its ability to continue as a going concern and to provide returns to shareholders and benefits to other stakeholders. The capital structure of the Company consists of equity comprised of issued share capital and reserves.

The Company manages its capital structure and makes adjustments to it in light of economic conditions. The Company, upon approval from its Board of Directors, will balance its overall capital structure through new share issues or by undertaking other activities as deemed appropriate under the specific circumstances. The Company is not subject to externally imposed capital requirements and the Company's overall strategy with respect to capital risk management remains unchanged for the period ended December 31, 2020.

13. COMMITMENTS AND CONGTINGENCIES

Crypto asset

From time to time, the Company has committed to temporarily securely store crypto assets it holds on behalf of customers and responsible for compliance with anti money laundry legislation. As such, the Company may be liable to its customers for losses arising from theft or loss of private keys and for non-compliance with regulations. The Company has no reason to believe it will incur any expense associated with such potential liability because (i) it has no known or historical experience of claims to use as a basis of measurement, (ii) it accounts for and continually verifies the amount of crypto assets within its control, and (iii) it has established security around custodial private keys to minimize the risk of theft or loss. Since the risk of loss is remote, the Company had not recorded a liability at December 31, 2020 or December 31, 2019.

14. INCOME TAXES

Estonian resident companies and the permanent establishments of foreign entities (including branches) are subject to 0% income tax for all reinvested and retained profits and a 14% - 20% income tax only for all distributed profits. Distributed profits include: (i) corporate profits distributed in the tax period; gifts, (ii) donations, and representation expenses; (iii)expenses and payments not related to business; transfer of the assets of the permanent establishment to its head office or other companies.

Polish resident companies pay a standard rate is 19% on income tax. As of January 1, 2020, companies with gross revenues of up to two million euros in the tax year are taxed at 9%.

The Company has not distributed any profits since inception and the Polish subsidiary Mobilum Pay had minimal activity since inception. Accordingly, the Company has not recorded any tax provisions.

15. SUBSEQUENT EVENTS

On July 19, 2021 the Company has been acquired by TechX Technologies Inc. (“TechX”) for 26,666,667 common shares of TechX with a deemed value of CAD 60 cents per share for a total aggregate consideration of CAD 16 million. Subsequent to the acquisition, TechX changed the name of the company from "TechX Technologies Inc." to "Mobilum Technologies Inc." with the ticker symbol “MBLM” in which it trades on the Canadian Securities Exchange.

The Estonian regulators intend to introduce changes in laws in connection with expansion of capital and reporting requirements for crypto licences holders in 2021. The possible effect of above changes on company activity may be assessed as of date of this financial statements.

MOBILUM OÜ

Condensed Interim Consolidated Financial Statements

As at and for the Six Months Ended June 30, 2021 and 2020

(Expressed in Euros)

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CONSOLIDATED FINANCIAL STATEMENTS

NOTICE TO READER

The accompanying unaudited condensed interim financial statements of MOBILUM OÜ. (the “Company”) for the six months ended June 30, 2021 have been prepared by management, reviewed by the Audit Committee and approved by the Board of Directors of the Company.

The Company herewith discloses that the accompanying unaudited interim consolidated financial statements have not been reviewed by an auditor.

Tallinn, Estonia

November 23, 2021

Mobilum OÜ
Consolidated Statements of Financial Position
For the six months ended June 30, 2021 and 2020
(Expressed in Euros)

	Note	**June 30, 2021**	December 31, 2020
ASSETS			
Current assets			
Cash		1,757,427	20,888
Accounts receivable		174,384	-
Digital assets	5	1,253,179	-
Due from related party	7	-	60,474
Loan receivables	4	50,000	50,000
Interest receivable	4	582	583
Prepaid expenses and deposits		12,334	501
Sales tax receivable		-	1,083
Total current assets		**3,247,906**	133,529
Total assets		**3,247,906**	133,529
LIABILITIES			
Current liabilities			
Accounts payable and accrued liabilities		160,669	6,086
Due to related party	7	216,275	131,136
Sales tax payable		472	1,054
Total current liabilities		**377,416**	138,276
Non- current liabilities			
Loans	8	2,661,929	44,841
Total non-current liabilities		**2,661,929**	44,841
Total liabilities		**3,039,345**	183,117
EQUITY (DEFICIENCY)			
Share capital	9	12,022	12,022
Surplus / (Deficit)		196,546	-61,584
Translation Difference		1	-4
Minority Interest		-9	-22
Total equity / (deficiency)		**208,560**	-49,588
Total liabilities and equity (deficiency)		**3,247,906**	133,529

Nature of operations and going concern (Note 1)
Commitments (Note 13)
Subsequent events (Note 15)

Approved On behalf of the Board of Directors, on November 23, 2021

Wojciech Kaszycki, Director

Mobilum OÜ
Consolidated Statements of Net and Comprehensive gains and loss
For the six months ended June 30, 2021and 2020
(Expressed in Euros)

		For the Six Months Ended	
	Note	**June 30, 2021**	June 30, 2020
Transaction fees		475,179	75,559
Cost of sales		-70,218	-67,941
Gross profit		**404,960**	7,619
OPERATING EXPENSES			
General and administrative		7,771	7,579
Professional fees		6,453	-
Research and development	3	140,118	30,131
Total operating expenses		**154,342**	37,710
Profit / (Loss) before other items		**250,619**	-30,091
Foreign exchange		7,520	-
Interest expense		-	-125
Interest income		-	291
Other income		-	212
Profit / (Loss) before taxes		**258,139**	-29,713
Other tax expense		-	-526
Net profit / (Loss)		**258,139**	-30,239
COMPREHENSIVE PROFIT / (LOSS) FOR THE PERIOD		**258,139**	-30,239
Attributable to:			
Equity holders of the company		258,130	-
Non-controlling interest		9	-
EARNINGS / (LOSS) PER SHARE, Basic and Diluted		21.51	-2.52
WEIGHTED AVERAGE NUMBER OF COMMON SHARES OUTSTANDING, Basic and Diluted		12,000	12,000

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

(Expressed in Euros)

	For the Six Months Ended	
	June 30, 2021	June 30, 2020
Cash provided by (used in)		
Operating activities		
Net profit / (loss) for the period	**258,139**	-30,239
Changes in non-cash working capital:		
Accounts receivable	**-1,253,179**	62,743
Accounts payable and accrued liabilities	**154,583**	2928
Amounts payable to related parties	**85,139**	-51,632
Digital Assets	**-174,384**	-
Due from related party	**60,474**	-
Prepaid expenses and deposits	**-11,833**	-429
Taxes recoverable	**1,083**	-542
Taxes payable	**-582**	527
Net cash provided by (used in) operating activities	**-880,559**	-16,644
Financing activities		
Loans	**2,617,089**	22421
Reserves	**-**	600
Proceeds from issuance of shares	**-**	4,750
Net cash provided by financing activities	**2,617,089**	27,771
Increase in cash	**1,736,530**	11,127
Cash, beginning of the period	**20,888**	-
Effect of exchange rate on cash	**9**	-
Cash, end of the period	**1,757,427**	11,127

Mobilum OÜ
Consolidated Statements of Changes in Equity
For the six months ended June 30, 2021and 2020
(Expressed in Euros)

	Share capital						
	Shares issued	**Amount**	**Surplus / (Deficit)**	**Total**	**Non-controlling interest**	**Currency translation difference**	**Total equity**
Balance, December 31, 2019	2,500	2,500	-1,106	1,394	-	-	1,394
Share issuance	9,500	9,522	-	9,522	-22		9,500
Comprehensive loss for the year	-	-	-60,478	-60,478			-60,478
Currency translation difference	-	-				-4	-4
Balance, December 31, 2020	**12,000**	**12,022**	**-61,584**	**-49,562**	**-22**	**-4**	**-49,588**
Share issuance	-	-					0
Comprehensive loss for the period	-	-	258,130	258,130	13		258,143
Currency translation difference	-	-				5	5
Balance, June 30, 2021	**12,000**	**12,022**	**196,546**	**208,568**	**-9**	**1**	**208,560**

1. NATURE OF OPERATIONS AND GOING CONCERN

Mobilum OÜ (the "Company", "Mobilum") was incorporated on November 2, 2018 under the Laws of Estonia. The Company is a private company. Mobilum, is a financial technology start-up that provides the fiat infrastructure to the cryptocurrency industry, is a licensed plug-and-play fiat-to-crypto gateway and payment processing technology solution for exchanges, wallets, brokers, liquidity providers and other cryptocurrency businesses. Mobilum's simple-to-use onramp and off-ramp solution makes integration easy for businesses whose users buy and sell cryptocurrencies with credit and debit cards. Mobilum guarantees zero chargebacks, the highest acceptance rates and the lowest transaction fees in the industry. The Company also develops and licenses its software in the digital asset industry. The Company head office is located at Parda tn 4-ruum 309, Kesklinna linnaosa, Tallinn, Harju maakond, 10151, Estonia.

The Company incurred a comprehensive profit for the six months ended June 30, 2021 of €258,139. As at June 30, 2021, the Company had a working capital of €2,870,489 and an accumulated surplus of €196,546. The Company's ability to continue operations in the normal course of business is dependent upon establishing sufficient cash flows from its digital asset transaction service, or on the receipt of additional debt or equity financing. The nature and volatility of the cryptocurrency industry along with the rapidly evolving technological advances in the industry impose significant risk on Company's ability to continue as a going concern. These consolidated financial statements do not give effect to any adjustments which would be necessary should the Company be unable to continue as a going concern and, therefore, be required to realize its assets and discharge its liabilities in other than the normal course of business and at amounts different than those reflected in the consolidated financial statements. Such adjustments could be material.

In March 2020, the World Health Organization declared a global pandemic known as COVID-19. The expected impacts on global commerce are expected to be far reaching. Material uncertainties may come into existence that could influence management's going concern assumption. The duration and impact of the COVID-19 outbreak is unknown at this time and it is not possible to reliably estimate the length and severity of these developments and the impact on the financial results and condition of the Company and its subsidiaries, in future periods, such as:

- The impact on the Company's products and services and supply chains in the near -term
- The availability of external funding sources during the next fiscal period
- The effect on labour availability due to the severity and the length of potential measures taken by governments to manage the spread of the disease

The effect of COVID-19 has had material and significant impact on the Company's operations. The Company's operations have been affected by complete shut down in operations, the inability to continue development on its technologies, a down turn in successful business development, the inability to meet operational and technology milestones, and the inability to be compliant in making its required continuous disclosure filings with securities regulatory authorities in a timely manner.

The Company continues to closely evaluate the impact of COVID-19 on its operations.

2. BASIS OF PRESENTATION Statement of compliance

These interim financial statements of the Company have been prepared in accordance with International Accounting Standards ("IAS") 34 "Interim Financial Reporting" using accounting polices consistent with International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board ("IASB") and interpretations of the International Financial Reporting Interpretations Committee ("IFRIC").

This interim financial report does not include all of the information required of a full annual financial report and is intended to provide users with an update in relation to events and transactions that are significant to an understanding of the changes in financial position and performance of the Company since the end of the last annual reporting period. It is therefore recommended that this financial report be read in conjunction with the annual financial statements of the Company for the year ended December 31, 2020.

The accounting policies applied in preparation of these interim financial statements are consistent with those applied and disclosed in the Company's financial statements for the year ended December 31, 2020, with the exception of certain amendments to accounting standards issued by the IASB. These amendments did not have a significant impact on the Company's interim financial statements.

The Company's interim results are not necessarily indicative of its results for a full year. These interim financial statements are expressed in Euros, the Company's functional currency and presentation currency, and have been prepared on a historical cost basis. The accounting policies set out in Note 3 of the Audited Consolidated Financial Statements at June 30, 2021have been applied consistently to all periods presented in these interim financial statements.

These interim financial statements were approved for issuance by the Board of Directors on November 23, 2021.

Functional and Presentation Currency

These consolidated financial statements are presented in Euros unless otherwise noted. The financial statements of each company within the consolidated group are measured using the currency of the primary economic environment in which the entity operates (the functional currency). The functional currency of Mobilum OÜ ("parent") and Moblium Pay Sp. Z o.o is the Euro ("EUR").

Transactions in currencies other than the functional currency are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. At each financial reporting date, monetary assets and liabilities denominated in foreign currencies are translated to the functional currency at the exchange rate at the reporting date. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities are recognized in the consolidated statement of loss and comprehensive loss.

Basis of consolidation

These consolidated financial statements include the accounts of the Company and its wholly-owned legal subsidiaries on a consolidated basis after the elimination of intercompany transactions and balances. Subsidiaries are entities the Company controls when it is exposed, or has rights, to variable returns from its involvement and can affect those returns through its power to direct the relevant activities of the entity. The Company's parent and subsidiaries are as below:

Entity	Place of incorporation	Economic interest	Date of incorporation	Status
Mobilum OÜ	Estonia	Parent	November 2, 2018	Active
Moblium Pay Sp. Z o.o	Poland	98%	November 9, 2020	Active

All inter-company transactions, balances, income and expenses are eliminated on consolidation.

2. BASIS OF PRESENTATION (continued)

Use of estimates and judgments

The preparation of the consolidated financial statements requires management to make certain estimates, judgments and assumptions that affect the reported amounts of assets and liabilities at the reporting date. Actual results could differ from these estimates.

Critical Judgments

The preparation of these consolidated financial statements requires management to make judgments:

i) Going concern: The going concern of the Company is previously discussed in Note 1.

ii) Functional currency: The functional currency of the Company and its subsidiaries is the currency of the primary economic environment in which each entity operates. The Company has determined the functional currency of the legal parent and subsidiaries as described above. Determination of the functional currency may involve certain judgments to determine the primary economic environment. The functional currency may change if there is a change in events and conditions which determines the primary economic environment.

Use of estimates and judgments (continued)

iii) Revenue recognition: The Company's revenue is comprised of services for software development performed for a third party and transactional services in the digital asset sector. Revenues are recognized when performance of services have occurred in accordance with contractual obligations. The Company recognizes revenue in an amount that reflects the transaction price and satisfaction of performance obligations. The area of judgment includes identifying the performance obligation per the definition within IFRS 15 Revenue from Contracts with Customers and determining whether control has passed to the customer.

Key sources of estimation uncertainty

Because a precise determination of many assets and liabilities is dependent upon future events, the preparation of consolidated financial statements in conformity with IFRS requires management to make estimates that affect the reported amounts of assets and liabilities and the disclosure of assets and liabilities at the date of the consolidated financial statements and the reported amounts of expenses during the reporting periods. Actual results could differ from those estimates, and such differences could be material. Significant estimates made by management affecting the consolidated financial statements include:

i) Determination of asset fair values and allocation of purchase consideration: Significant asset acquisitions require judgments and estimates to be made at the date of acquisition in relation to determining the relative fair value of computing equipment and future acquisition rights and the allocation of the purchase consideration over the fair value of the assets. The information necessary to measure the fair values as at the acquisition date of assets acquired requires management to make certain judgments and estimates about future events, including but not limited to availability of hardware and expertise, future production opportunities, future digital currency prices and future operating cost.

ii) Digital currency valuation: Digital currencies consist of cryptocurrencies (Note 5) and are included in current assets. Digital currencies are carried at their fair value determined by the closing price of coinmarketcap.com.

2. BASIS OF PRESENTATION (continued)

Use of estimates and judgments (continued)

The cost to sell the digital currencies are considered immaterial and no allowance is made for such costs. The digital currency market is a relatively new market and has been highly volatile; historical prices are not necessarily indicative of future value; a significant change in the market prices for digital currencies will have a corresponding impact on the Company's earnings and financial position.

3. SIGNIFICANT ACCOUNTING POLICIES

Cash and cash equivalents

Cash and cash equivalents include cash on hand and cash deposited with financial institutions.

Digital currencies (Note 5)

Digital currencies consisted of cryptocurrencies and are included in current assets. Digital currencies are carried at their fair value and adjusted at each reporting date for revaluation gains and losses through profit and loss as well as when digital currencies are exchanged or sold for traditional (fiat) currencies, such as the Euro.

The Company's determination to classify its holding of digital currencies as a current asset is based on management's assessment that its cryptocurrencies held can be a commodity that may be readily sold because liquid markets are available.

Financial instruments

The Company classifies its financial assets in the following categories: at fair value through profit or loss ("FVTPL"), at fair value through other comprehensive income ("FVTOCI") and at amortized cost. The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of financial assets at initial recognition. A financial asset is measured at amortized cost if it is held within a business model whose objective is to hold assets and collect contractual cash flows, its contractual terms give rise on specified dates that are solely payments of principal and interest on the principal amount outstanding, and it is not designated as FVTPL.

Equity instruments that are held for trading are classified as FVTPL. For other equity instruments, the Company can make an irrevocable election (on an instrument by-instrument basis) on the day of acquisition to designate them as at FVTOCI.

Financial assets at FVTPL

Financial assets are classified as fair value through profit or loss when the financial asset is held for trading or it is designated as fair value through profit or loss. A financial asset is classified as held for trading if: (i) it has been acquired principally for the purpose of selling in the near future; (ii) it is a part of an identified portfolio of financial instruments that the Company manages and has an actual pattern of short-term profit taking; or (iii) it is a derivative that is not designated and effective as a hedging instrument.

Financial assets classified as fair value through profit or loss are stated at fair value with any gain or loss recognized in the consolidated statements of net loss and comprehensive loss. The net gain or loss recognized incorporates any dividend or interest earned on the financial asset. The Company has classified its investments at fair value through profit or loss.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Financial instruments (continued)

Financial assets at FVTOCI

Investments are initially recognized at fair value plus transaction costs. Subsequently they are measured at fair value, with gains and losses arising from changes in fair value recognized in other comprehensive income. There is no subsequent reclassification of fair value gains and losses to profit or loss following the derecognition of the investment. The Company has not classified any financial assets at FVOCI.

Financial assets at amortized cost

Financial assets at amortized cost are held within a business model whose objective is to hold financial assets in order to collect contractual cash flows, and that the contractual terms of the financial assets give rise on specified date to cash flows that are solely payments of principal and interest on the principal amount outstanding. Financial assets at amortized cost are initially recognized at fair value and are measured subsequent at amortized cost.

The amortized cost of a financial asset is the amount at which the financial asset is measured at initial recognition minus the principal repayments, plus the cumulative amortization using the effective interest method of any difference between that initial amount and the maturity amount, adjusted for any loss allowance.

Interest income is recognized using the effect interest method and is recognized in interest and other income on the consolidated statements of net and comprehensive loss. The Company has classified its cash, accounts receivable and due from related parties as financial assets at amortized cost.

Derecognition of financial assets

Financial assets are derecognized when they mature or are sold, and substantially all the risks and rewards of ownership have been transferred. Gains and losses on derecognition of financial assets classified as FVTPL or amortized cost are recognized in the consolidated statement of net and comprehensive loss. Gains or losses on financial assets classified as FVTOCI remain within accumulated other comprehensive income.

Impairment of financial assets and contract assets

The Company recognizes loss allowances for expected credit losses ("ECLs") on:

- financial assets measured at amortized cost; - debt investments measured at FVOCI; and - contract assets (as defined in IFRS 15).

The Company measures loss allowances at an amount equal to lifetime ECL, except for the following, which are measured as 12-month ECL:

- debt securities that are determined to have low credit risk at the reporting date; and
- other debt securities and bank balances for which credit risk (i.e. the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition.

Loss allowances for accounts receivables and contract assets are always measured at an amount equal to lifetime ECL. When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECL, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Company's historical experience and informed credit assessment and including forward looking information.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Financial instruments (continued)

The Company assumes that the credit risk on a financial asset has increased significantly if it is more than 30 days past due.

The Company considers a financial asset to be in default when:

- the borrower is unlikely to pay its credit obligations to the Company in full, without recourse by the Company to actions such as realizing security (if any is held); or - the financial asset is more than 90 days past due.

The Company considers a debt security to have low credit risk when its credit risk rating is equivalent to the globally understood definition of 'investment grade'.

Lifetime ECLs are the ECLs that result from all possible default events over the expected life of a financial instrument.

12-month ECLs are the portion of ECL's that result from default events that are possible within the 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months).

The maximum period considered when estimating ECLs is the maximum contractual period over which the Company is exposed to credit risk.

Measurement of ECLs

ECLs are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the entity expects to receive). ECLs are discounted at the effective interest rate of the financial asset.

Credit-impaired financial assets

At each reporting date, the Company assesses whether financial assets carried at amortized cost and debt securities at FVOCI are credit impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit-impaired includes the following observable data:

- significant financial difficulty of the borrower or issuer;
- a breach of contract such as a default or being more than 90 days past due;
- the restructuring of a loan or advance by the Company on terms that the Company would not consider otherwise; - it is probable that the borrower will enter bankruptcy or other financial reorganization; or - the disappearance of an active market for a security because of financial difficulties.

Presentation of allowance for ECL in the consolidated statement of financial position

Loss allowances for financial assets measured at amortized cost are deducted from the gross carrying amount of the assets. For debt securities at FVOCI, the loss allowance is charged to the consolidated statement of net and comprehensive loss and is recognized in OCI.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Financial instruments (continued)

Investments

Write-off

The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Company determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. However, financial assets that are written off could still be subject to enforcement activities to comply with the Company's procedures for recovery of amounts due.

Financial liabilities

The Company initially recognizes financial liabilities at fair value on the date that they are originated. All financial liabilities (including liabilities designated at fair value through profit or loss) are recognized initially on the date at which the Company becomes a party to the contractual obligations are discharged or cancelled or expire.

The Company classifies its financial liabilities as either financial liabilities at fair value through profit and loss or amortized cost. Subsequent to initial recognition financial liabilities are classified at amortized cost and measured using the effective interest method. Financial liabilities at fair value are stated at fair value with changes being recognized in profit or loss. The Company has classified its accounts payable, notes payable, lease liability and loans payable as financial liabilities at amortized cost. The Company has no financial liabilities designated at FVTPL.

Investments are initially recorded at cost, being the fair value at the time of acquisition. At the end of each financial reporting period, the Company's management estimates the change in fair value of its investments based on the criteria below and records such change in profit and loss:

- There has been a significant new equity financing with arms-length investors at a valuation above or below the current fair value of the investee company, in which case the fair value of the investment is adjusted to the value at which the financing took place; or
- Based on financial information received from the investee company it is apparent to the Company that the investee company is unlikely to be able to continue as a going concern, in which case the fair value of the investment is adjusted downward; or
- There have been significant corporate, operating, technological or economic events affecting the investee company that, in the Company's opinion, have a positive or negative impact on the investee company's prospects and, therefore, its fair value; or
- The investee company is placed into receivership or bankruptcy.

In addition to the circumstances described above, the Company will take into account general market conditions when determining if an adjustment to the fair value of an investment is warranted at the end of each reporting period. In the absence of the occurrence of any of these events, or any significant change in general market conditions, the fair value of the investment is left unchanged.

Application of the valuation techniques above may involve uncertainties and determinations based on the Company's judgment, and any value estimated from these techniques may not be realized.

For those investments in which the Company has significant influence the Company uses the equity method of accounting whereby an equity investment is initially recorded at cost and subsequently adjusted to reflect the investor's share of the net profit or loss of the investee. Any distributions received from the investee company reduce the carrying amount of the investment. As at December 31, 2020, the Company did not have significant influence over any investees.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Current versus non-current classification

The Group presents assets and liabilities in the statement of financial position based on current/non-current classification.

An asset is current when it is:
- Expected to be realised or intended to be sold or consumed in the normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realised within twelve months after the reporting period
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

A liability is current when:
- It is expected to be settled in the normal operating cycle
- It is held primarily for the purpose of trading
- It is due to be settled within twelve months after the reporting period
- There is no unconditional right to defer the settlement of the liability for at least twelve months after
- the reporting period and the terms of the liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

Al other liabilities are classified as non-current.

Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. The expense relating to a provision is presented in the statement of profit or loss net of any reimbursement. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

Intangible assets

The Company owns intangible assets consisting of inhouse developed proprietary software. Expenditures are capitalized only when they increase the future economic benefits embodied in the specific asset to which they relate. All other expenditures are recognized in profit or loss as incurred. The Company does not hold any intangible assets with indefinite lives. Intangible assets with finite lives are amortized over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired.

Research costs are charged to operations when they are incurred. Development costs are capitalized as intangible assets when the Company can demonstrate that the technical feasibility of the project has been established; the Company intends to complete the asset for use or sale and has the ability to do so; the asset can generate probable future economic benefits; the technical and financial resources are available to complete the development; and the Company can reliably measure the expenditure attributable to the intangible assets during its development.

The amortization method and period of an intangible asset with a finite life is reviewed at least annually. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset is accounted for by changing the amortization period or method, as appropriate, and are treated as changes in accounting estimates. Amortization is recognized in profit or loss on a straight-line basis over the estimated useful lives of intangible assets.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Impairment of non-financial assets

The Company reviews the carrying amounts of its non-financial assets, including property and equipment and intangible assets, when events or changes in circumstances indicate the assets may not be recoverable. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss, if any. Where it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs. Assets carried at fair value, such as digital currencies, are excluded from impairment analysis.

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 to be derived from continuing use of the asset or cash generating unit 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. Fair value less cost to sell is the amount obtainable from the sale of an asset or cash-generating unit in an arm's length transaction between knowledgeable, willing parties, less the cost of disposal. When a binding sale agreement is not available, fair value less costs to sell is estimated using a discounted cash flow approach with inputs and assumptions consistent with those of a market participant. If the recoverable amount of an asset or cash generating unit is estimated to be less than its carrying amount, the carrying amount of the asset or cash-generating unit is reduced to its recoverable amount. An impairment loss is recognized immediately in net income. Where an impairment loss subsequently reverses, the carrying amount of the asset or cash-generating unit is increased to the revised estimate of its recoverable amount, such that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognized.

Income taxes

Potential income tax on dividends and other distributions. Under the current Income Tax Act, a company registered in Estonia does not pay income tax earned, but distributed as dividends and other forms. profits, as well as distributions from equity that exceed cash and non-cash contributions to the company's equity. Under that law, profits distributed by a company in the form of dividends and other forms are subject to income tax at the rate of 20/80 of the payout. The balance sheet does not reflect the potential income tax liability in respect of the Company's unrestricted equity that would result from the payment of unrestricted equity; or reduction of capital. Income tax on distributions is recognized when dividends are declared or other equity instruments are deducted as an expense in the income statement at the time the payments are made. The Company has not made any fund issues during its period of operation that would affect the calculation of potential income tax if the company would decide to reduce the share capital.

Additional income taxes that arise from the distribution of profits are recognized at the same time as the liability to pay the related distribution. Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis. (Note 14)

Share capital

Common shares are classified as equity. Transaction costs directly attributable to the issue of common shares and share purchase options are recognized as a deduction from equity, net of any tax effects. For unit offerings, the proceeds from the issuance of units are allocated between common shares and share purchase warrants using the residual method, allocating fair value to the common shares first, and then to the share purchase warrants.

Loss per share

The Company presents basic loss per share for its common shares, calculated by dividing the loss attributable to common shareholders of the Company by the number of common shares outstanding at end of the period.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

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. 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. Related parties transactions that are in the normal course of business and have commercial substance are measured at exchange amount.

Revenue recognition

IFRS 15, *Revenue from Contracts with Customers* ("IFRS 15") was issued to replace IAS 18, *Revenue* and IAS 11, *Construction Contracts* and related interpretations such as IFRIC 13, *Customer Loyalty Programs*. IFRS 15 introduces a single contract-based five-step model that applies to contracts with customers and two approaches for the recognition of revenue: at a point in time or over time.

The Company adopted IFRS 15 effective March 1, 2019. The adoption of this standard did not have a material impact on the Company's consolidated financial statements.

The Company uses the following five-step contract-based analysis of transactions to determine if, when and how much revenue can be recognized:

1. Identify the contract with a customer;
2. Identify the performance obligation(s) in the contract;
3. Determine the transaction price;
4. Allocate the transaction price to the performance obligation(s) in the contract; and 5. Recognize revenue when or as the Company satisfies the performance obligation.

These revenue-generating activities of the Company have a single performance obligation and revenue is recognized at the point in time when control of the product transfers to the customer and the Company's obligations have been fulfilled. This generally occurs when the product is shipped or delivered to the customer, depending upon the method of distribution and shipping terms set forth in the contract.

Revenue is measured as the amount of consideration the Company expects to receive in exchange for the sale of the Company's product or the services rendered by the Company.

We primarily generate revenue through transaction fees charged on our platform. Our service comprises a single performance obligation to provide a crypto asset matching service when customers buy, sell, or convert crypto assets on the platform. That is, we are an agent in transactions between customers and present revenue for the fees earned on a net basis.

Judgment is required in determining whether we are the principal or the agent in transactions between customers. We evaluated the presentation of revenue on a gross or net basis based on whether we control the crypto asset provided before it is transferred to the customer (gross) or whether we act as an agent by arranging for other customers on the platform to provide the crypto asset to the customer (net).

When there are transactions that we do control the crypto asset being provided before it is transferred to the buyer, the control period is relatively short-term, the front-end inventory risk related to the crypto asset is negligible as we procure the crypto asset once the order is confirmed, and we are responsible for fulfilment of the crypto asset insofar as to transfer the crypto asset to the customer as soon as practically possible. When there are transactions that we do not control the crypto asset being provided before it is transferred to the buyer, do not have inventory risk related to the crypto asset, and are not responsible for the fulfilment of the crypto asset. We also do not set the price for the crypto asset as the price is a market rate established by more established arms length platforms. As a result, we act as an agent in facilitating the ability for a customer to purchase crypto assets from another customer.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Revenue recognition (continued)

We consider our performance obligation satisfied and recognize revenue at the point in time the transaction is processed. Contracts with customers are usually open-ended and can be terminated by the Company without a termination penalty. Therefore, contracts are defined at the transaction level and do not extend beyond the service already provided. We charge a fee at the transaction level. The transaction price, represented by the trading fee, is calculated based on volume and may vary depending on the payment type and the value of the transaction.
Transactional services (continued)

Crypto asset purchase or sale transactions executed by a customer on our platform include tiered pricing, based primarily on transaction volume. The fee rate charged per transaction is adjusted up or down if the volume processed for a specific historical period meets established thresholds. We have concluded that this volume-based pricing approach does not constitute a future material right since the discount is within a range typically offered to a class of customers with similar volumes. The transaction fee is collected from the customer at the time the transaction is executed. In certain instances, the transaction fee can be collected in crypto assets, with revenue measured based on the amount of crypto assets received and the fair value of the crypto assets at the time of the transaction. In such instances, we conduct periodic checks over the course of a day and convert crypto assets received for transaction fees into fiat currency or fiat stable coin(s) once these assets reach a specified threshold of over €10,000.

Transaction revenue includes reductions in revenue from transaction fee reversals that may not be recovered from customers, and including but not limited to market volatility in foreign exchange and increased transaction prices from our partners. Such reversals are rare and occur when the customer disputes a transaction processed on their credit card or their bank account for a variety of reasons and seeks to have the charge reversed after we have processed the transaction. The total transaction price is allocated to the single performance obligation. While we recognize transaction fee reversals due to transaction reversals as a reduction of net revenue, crypto asset losses due to transaction reversals are included in transaction expenses.

The revenue from service contracts and transactional services is presented under (Note 7)

Leases

This standard requires the recognition of lease contracts, with exceptions for certain short-term leases and leases of low-value assets, on a lessee's statement of financial position as a 'right-of-use asset' and a lease liability reflecting future lease payments. In addition, the lease payments are required to be presented on the statement of cash flow within operating and financing activities for the interest and principal portions, respectively.

The Company has elected to apply the available exemptions for short-term leases and leases of low-value assets. Leases whose initial term is 12 months or less are charged directly to profit or loss.

The lease liability is initially recognized as the present value of future lease payments discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Company's applicable incremental borrowing rate. The incremental borrowing rate is the rate which the Company would have to pay to borrow, over a similar term and with a similar security, the funds necessary to obtain an asset of similar value to the right-ofuse asset. The Company includes the estimated extension of their leases in the lease term in assessing the present value of future lease payments. The lease liability is subsequently measured by reducing the carrying amount to reflect lease payments made and to reflect any reassessments or modifications.

The right-of-use asset is initially measured at cost, which comprises the amount of the initial measurement of the lease liability and any lease payments made at or before the commencement date. The right-of-use asset is subsequently measured at cost less accumulated depreciation and any accumulated impairment losses and adjusted

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

for any remeasurement of the lease liability. Right-of use assets are depreciated in accordance with the Company's accounting policy for property, plant and equipment. Variable lease payments not included in the

Research and development

The primary components of research and development expenses are employee compensation and benefits, professional services, contractor services, and product development.

Foreign exchange

Transactions in currencies other than the functional currency of the Company and its subsidiary are recorded at exchange rates prevailing on the dates of the transactions. At the end of each reporting period, the monetary assets and liabilities of the Company that are denominated in foreign currencies are translated at the rate of exchange at the reporting date while non- monetary assets and liabilities are translated at historical rates. Revenues and expenses are translated at the exchange rates approximating those in effect on the date of the transactions. These exchange gains and losses arising on translation into functional currency are recognized through profit or loss. The financial results and position of foreign operations whose functional currency is different from the Company's presentation currency are translated as follows:

- assets and liabilities are translated at period-end exchange rates prevailing at that reporting date, and
- income and expenses are translated at average exchange rates for the period.

Exchange differences arising on translation of foreign operations are recognized in other comprehensive income and recorded in the Company's foreign currency translation reserve in equity. These differences are recognized in the profit or loss in the period in which the operation is disposed.

(Expressed in Euros)

4. AMOUNTS RECEIVABLE AND DEPOSITS

	June 30, 2021	December 31, 2020
Due from related party	**-**	60,474
Interest receivables	**582**	583
Loan receivable	**50,000**	50,000
Prepaid expenses and deposits	**12,334**	501
VAT receivable	**-**	1083
	62,916	112,641

During the year ended December 31, 2020, the Company made a €50,000 loan to BTC Studios. The loan carries 5% interest and no set repayment date.

5. DUE FROM LIQUIDITY PROVIDERS

As at June 30, 2021 the Company had cash and digital assets due from liquidity providers totalling €1,253,179.

Liquidity providers are institutions holding fiat currencies and digital currencies in custody, for the purpose of facilitating on-ramp and off-ramp transactions.

Amounts due are for advances made to an exchange or liquidity provider. Exchanges and liquidity providers convert fiat into digital coin to facilitate and expedite the capital cycle of fiat to crypto exchange on behalf the Company and its clients using the Company's payments solutions platform. In order to expedite the process, the exchange or liquidity provider must maintain a float of digital coin to facilitate transaction. Given the nature of fiat to crypto transactions, this process necessitates adequate sums of cryptocurrency, typically in the least volatile form known as a stable coin such as USDT or USDC.

The fair value of digital currencies held in custody by the liquidity providers was determined using the closing price of the coin at the end of the period quoted on coinmarketcap.com.

(Expressed in Euros)

6. SEGMENT REPORTING

The Company generated revenues from its transactional services segment during the six months ended June 30, 2021. Revenues generated for the year ended six months ended June 30, 2021 over 90% revenues generated were from the European Union.

For the six months ended June 30, 2021, the Company earns its revenues from a multitude of customers by being an agent in the transactions of digital assets. Therefore, the Company's credit risk minimal as it does not rely on any significant customers in the future.

During the six months ended June 30, 2021 the Company's sole operation is providing transactions of digital assets.

For the six months ended June 30, 2021:

	Transactional fees	Total
Revenue	475,179	475,179
Cost of sales	70,218	70,218
Gross profit	**404,960**	**404,960**

For the six months ended June 30, 2020:

	Transactional fees	Total
Revenue	75,559	75,559
Cost of sales	67,941	67,941
Gross profit	7,619	7,619

7. RELATED PARTY TRANSACTIONS AND BALANCES

Related parties include key management personnel and companies under the control of key management personnel. Key management personnel include those persons having authority and responsibility for planning, directing, and controlling the activities of the Company as a whole. The Company has determined that key management personnel consist of members of the Board of Directors and the Company's Chief Executive Officer. The Company made a series of loans and borrowings from the CEO and companies under the control of the CEO that resulted in offsetted amounts summarized below.

	June 30, 2021	December 31, 2020	
Related Party	**Loans and payables**	**Receivables**	**Loans and Receivables payables**
Mobilum Limited	169,053	60,474	135,500
CEO	2,381	-	1,146
BIZMATICA POLSKA S.A.	44,841	-	44,841
	216,275	60,474	181,487

The above related-party transactions were made on terms equivalent to those that prevail in arm's length transactions and in the normal course of business.

8. NON CURRENT LOANS

During the period, the Company received a loan totalling €2,661,929 (CAD 3,000,000). The loan bears no interest and not set repayment terms.

(Expressed in Euros)

9. SHARE CAPITAL

Authorized

Unlimited common shares without par value.

Share capital

On June 30, 2021, the Company had 12,000 (2020 – 12,000) common shares outstanding, and no stock options or share purchase warrants outstanding.

10. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

Financial instruments

The fair value of financial assets and financial liabilities at amortized cost is determined in accordance with generally accepted pricing models based on discounted cash flow analysis or using prices from observable current market transactions. The Company considers that the carrying amount of all its financial assets and financial liabilities recognized at amortized cost in the consolidated financial statements approximates their fair value due to the demand nature or short- term maturity of these instruments.

- Level 1 fair value measurements are those derived from quoted prices in active markets for identical assets or liabilities.
- Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1, that are observable either directly or indirectly.
- Level 3 fair value measurements are those derived from valuation techniques that include inputs that are not based on observable market data.

The Company's financial instruments consist of cash, accounts receivable, due from related parties, accounts payable, notes payable and demand loans and loans payable.

The Company's financial instruments are exposed to certain financial risks. The risk exposures and the impact on the Company's financial instruments are summarized below.

The following table summarizes at what level these financial instruments are valued at:

June 30, 2021	**Level 1 €**	**Level 2 €**	**Level 3 €**	**Total €**
Financial Instruments measured at FVTPL				
Cash	1,757,427	-	-	1,757,427
Amounts receivables	-	-	174,966	174,966
Digital assets	1,253,179	-	-	1,253,179
Loans receivable	-	50,000	-	50000
Amounts payables	-	-	-161,141	-161,141
Due to related party	-	-	-216,275	-216,275
Total Financial Instruments measured at FVTPL	**3,010,606**	**50,000**	**-202,450**	**2,858,156**

December 31, 2020	Level 1 €	Level 2 €	Level 3 €	Total €
Financial Instruments measured at FVTPL				
Cash	20,888	-	-	20,888
Amounts receivables	-	-	112,140	112,140
Amounts payables	-	-	-6,086	-6,086
Due to related party	-	-	-131,136	-131,136
Total Financial Instruments measured at FVTPL	20,888	-	-25,082	-4,194

10. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (continued)

Financial risk management (continued)

Management has overall responsibility for the establishment and oversight of the Company's risk management framework.

Financial instrument risk exposure

The Company is exposed in varying degrees to a variety of financial instrument related risks. The Board approves and monitors the risk management processes.

Credit risk

Credit risk is the risk of financial loss to the Company if the counterparty to a financial instrument fails to meet its payment obligations. The Company has no material counterparties to its financial instruments with the exception of the financial institutions which hold its cash. The Company's credit risk arises from it deriving revenues from a sole customer, from which management does not believe the Company has a material exposure to credit risk.

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. There is a risk that the Company may not be able to meet its financial obligation when they are due. All of the Company's trade payables are subject to normal trade terms and carry no stated interest payments

Market Risk

Market risk is the risk of loss that may arise from changes in market factors such as interest rates, commodity and equity prices, and foreign exchange rates.

a. *Interest rate risk*

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. As the Company only transacts with fix interest loans and borrowings, it is not exposed to significant interest rate risk.

b. *Price risk*

Price risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in prices. The Company's investments are not exposed to price risk.

c. *Foreign exchange risk*

Foreign exchange risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in the foreign currency exchange rates. The Company's functional and presentation currency is the Euros ("EUR") and historically, major purchases and financings have been transacted in EUR. As the Company's revenues and general and administrative costs are primarily denominated in EUR, however from time to time the Company will transact in currencies other than the EUR and will be exposed to effects of fluctuations in foreign exchange. The Company has an outstanding of loan of PLN 200,000 (€44,841) carries an interest of 2% per annum and has a maturity date of March 17, 2022. A 10% increase or decrease in the Polish zloty to the Euro will result in a increase or decrease of €4,841 to the loan balance and a increase or decrease of €90 in annual interest payments.

11. DIGITAL CURRENCY RISK MANAGEMENT

Digital currencies are determined by prices quoted on coinmarketcap.com.

Digital currency prices are affected by various forces including global supply and demand, interest rates, exchange rates, inflation or deflation and the global political and economic conditions. The profitability of the Company is affected by the current and future market price of digital currencies; in addition, the Company may not be able to liquidate its inventory of digital currencies at its desired price if required. A decline in the market prices for digital currencies could negatively impact the Company's future operations. The Company has not hedged the conversion of any of its digital currency sales.

Digital currencies have a limited history and the fair value historically has been very volatile. Historical performance of digital currencies is not indicative of their future price performance. Our operating results have and will significantly fluctuate due to the highly volatile nature of crypto. Our total revenue is substantially dependent on the prices of crypto assets and volume of transactions conducted on our platform. If such price or volume declines, our business, operating results, and financial condition would be adversely affected.

A majority of our net revenue is from transactions in Bitcoin and Ethereum. If demand for these crypto assets declines and is not replaced by new demand for crypto assets, our business, operating results, and financial condition could be adversely affected.

Cyberattacks and security breaches of our platform, the platform of our competitors and partners, or those impacting our customers or third parties, could adversely impact our brand and reputation and our business, operating results, and financial condition.

12. CAPITAL MANAGEMENT

The Company manages its capital to maintain its ability to continue as a going concern and to provide returns to shareholders and benefits to other stakeholders. The capital structure of the Company consists of equity comprised of issued share capital and reserves.

The Company manages its capital structure and makes adjustments to it in light of economic conditions. The Company, upon approval from its Board of Directors, will balance its overall capital structure through new share issues or by undertaking other activities as deemed appropriate under the specific circumstances. The Company is not subject to externally imposed capital requirements and the Company's overall strategy with respect to capital risk management remains unchanged for the period ended June 30, 2021.

13. COMMITMENTS AND CONGTINGENCIES

Crypto asset

From time to time, the Company has committed to temporarily securely store crypto assets it holds on behalf of customers and responsible for compliance with anti money laundry legislation. As such, the Company may be liable to its customers for losses arising from theft or loss of private keys and for non-compliance with regulations. The Company has no reason to believe it will incur any expense associated with such potential liability because (i) it has no known or historical experience of claims to use as a basis of measurement, (ii) it accounts for and continually verifies the amount of crypto assets within its control, and (iii) it has established security around custodial private keys to minimize the risk of theft or loss. Since the risk of loss is remote, the Company had not recorded a liability at June 30, 2021 or December 31, 2020.

14. INCOME TAXES

Estonian resident companies and the permanent establishments of foreign entities (including branches) are subject to 0% income tax for all reinvested and retained profits and a 14% - 20% income tax only for all distributed profits. Distributed profits include: (i) corporate profits distributed in the tax period; gifts, (ii) donations, and representation expenses; (iii)expenses and payments not related to business; transfer of the assets of the permanent establishment to its head office or other companies.

Polish resident companies pay a standard rate is 19% on income tax. As of January 1, 2020, companies with gross revenues of up to two million euros in the tax year are taxed at 9%.

The Company has not distributed any profits since inception and the Polish subsidiary Mobilum Pay had minimal activity since inception. Accordingly, the Company has not recorded any tax provisions.

15. SUBSEQUENT EVENTS

On July 19, 2021 the Company has been acquired by TechX Technologies Inc. (“TechX”) for 26,666,667 common shares of TechX with a deemed value of CAD 60 cents per share for a total aggregate consideration of CAD 16 million. Subsequent to the acquisition, TechX changed the name of the company from "TechX Technologies Inc." to "Mobilum Technologies Inc." with the ticker symbol “MBLM” in which it trades on the Canadian Securities Exchange.

The Estonian regulators intend to introduce changes in laws in connection with expansion of capital and reporting requirements for crypto licences holders in 2021. The possible effect of above changes on company activity may be assessed as of date of this financial statements.