



**SEKUR PRIVATE DATA LTD.**

**CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**

**FOR THE THREE MONTHS ENDED MARCH 31, 2024 AND 2023**

**(Expressed in Canadian Dollars)**

**(Unaudited – Prepared by Management)**

## **NOTICE OF NO AUDITOR REVIEW OF FINANCIAL STATEMENTS**

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

The accompanying unaudited interim financial statements of the Company have been prepared by and are the responsibility of the Company's management.

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

**SEKUR PRIVATE DATA LTD.**  
**CONDENSED CONSOLIDATED INTERIM STATEMENTS OF FINANCIAL POSITION**  
(Unaudited)  
(Expressed in Canadian Dollars)  
As at

	<b>March 31, 2024</b>	December 31, 2023
<b>ASSETS</b>		
<b>Current</b>		
Cash and cash equivalents	\$ 681,156	\$ 924,739
Receivables	42,512	42,746
Prepaid expenses	97,015	39,401
	<b>820,683</b>	1,006,886
<b>Non-current</b>		
Equipment (Note 3)	489,010	546,362
<b>Total Assets</b>	<b>\$ 1,309,693</b>	<b>\$ 1,553,248</b>
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>		
<b>Current liabilities</b>		
Accounts payable and accrued liabilities	\$ 191,094	\$ 272,080
Royalty fees payable (Note 4)	50,483	38,104
Deferred revenue	50,774	92,783
	<b>292,351</b>	402,967
<b>Shareholders' equity</b>		
Share capital (Note 5)	22,457,126	22,457,126
Reserves (Note 5)	6,069,868	6,069,868
Shares subscribed (Note 5)	194,762	-
Accumulated other comprehensive income	19,631	20,007
Deficit	(27,724,045)	(27,396,720)
	<b>1,017,342</b>	1,150,281
<b>Total Liabilities and Shareholders' Equity</b>	<b>\$ 1,309,693</b>	<b>\$ 1,553,248</b>

Nature of operations and going concern (Note 1)

Approved on behalf of the Board of Directors:

\_\_\_\_\_  
*"Alain Ghiai"*  
Director

\_\_\_\_\_  
*"Henry Sjöman"*  
Director

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

**SEKUR PRIVATE DATA LTD.****CONDENSED CONSOLIDATED INTERIM STATEMENTS OF LOSS AND COMPREHENSIVE LOSS**

(Unaudited)

(Expressed in Canadian Dollars)

As at

	<b>Three months ended March 31, 2024</b>	Three months ended March 31, 2023
<b>REVENUE</b> (Note 10)	<b>\$ 159,464</b>	\$ 131,739
<b>EXPENSES</b>		
Accounting and audit (Notes 5 and 6)	<b>66,147</b>	79,860
Consulting fees (Note 5)	<b>1,213</b>	852
Credit card processing fees	<b>6,768</b>	7,889
Data center and hardware maintenance (Note 6)	<b>45,000</b>	170,000
Director's fees (Notes 5 and 6)	<b>-</b>	347,757
Legal	<b>1,971</b>	21,115
Marketing (Notes 5 and 9)	<b>217,434</b>	588,263
Office and administration	<b>5,768</b>	4,844
Research, development and software maintenance (Note 3)	<b>128,175</b>	116,909
Rent	<b>11,674</b>	6,357
Royalty fees (Notes 4 and 6)	<b>11,485</b>	13,110
Transfer agent and filing fees	<b>7,186</b>	15,249
Travel	<b>4,992</b>	19,733
	<b>(507,813)</b>	(1,391,938)
<b>OTHER ITEMS</b>		
Interest income	<b>2,204</b>	32,393
Foreign exchange	<b>18,820</b>	(9,519)
	<b>21,024</b>	22,874
<b>Net loss for the period</b>	<b>(327,325)</b>	(1,237,325)
<b>Other comprehensive loss</b>		
<b>Items that may be reclassified subsequently to profit or loss:</b>		
Currency translation adjustment	<b>(376)</b>	-
<b>Net loss and comprehensive loss for the period</b>	<b>\$ (327,701)</b>	\$ (1,237,325)
<b>Basic and diluted loss per share</b>	<b>\$ (0.00)</b>	\$ (0.01)
<b>Weighted average number of basic and diluted common shares outstanding</b>	<b>119,632,941</b>	117,025,441

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

**SEKUR PRIVATE DATA LTD.****CONDENSED CONSOLIDATED INTERIM STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY**

For the three months ended March 31, 2024 and 2023

(Unaudited)

(Expressed in Canadian Dollars)

	<b>Number of Shares</b>	<b>Share Capital \$</b>	<b>Shares Subscribed \$</b>	<b>Reserves \$</b>	<b>Accumulated Other Comprehensive Income \$</b>	<b>Deficit \$</b>	<b>Shareholders' Equity \$</b>
Balance, December 31, 2022 (Restated – Note 4)	117,025,441	22,001,842	-	5,221,699	20,973	(22,642,617)	4,601,897
Share-based payments	-	-	-	425,686	-	-	425,686
Net loss for the period	-	-	-	-	-	(1,237,325)	(1,237,325)
<b>Balance, March 31, 2023</b>	<b>117,025,441</b>	<b>22,001,842</b>	<b>-</b>	<b>5,647,385</b>	<b>20,973</b>	<b>(23,879,942)</b>	<b>3,790,258</b>
Balance, December 31, 2023	119,632,941	22,457,126	-	6,069,868	20,007	(27,396,720)	1,150,281
Shares subscribed	-	-	194,762	-	-	-	194,762
Net loss for the period	-	-	-	-	(376)	(327,325)	(327,701)
<b>Balance, March 31, 2024</b>	<b>119,632,941</b>	<b>22,457,126</b>	<b>194,762</b>	<b>6,069,868</b>	<b>19,631</b>	<b>(27,724,045)</b>	<b>1,017,342</b>

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

**SEKUR PRIVATE DATA LTD.**  
**CONDENSED CONSOLIDATED INTERIM STATEMENTS OF CASH FLOWS**  
For the three months ended March 31,  
(Unaudited)  
(Expressed in Canadian Dollars)

	<b>2024</b>	<b>2023</b>
<b>CASH FLOWS USED IN OPERATING ACTIVITIES</b>		
Net loss for the period	\$ (327,325)	\$ (1,237,325)
Items not affecting cash:		
Depreciation	57,352	55,977
Share-based payments	-	425,686
Changes in non-cash working capital items:		
Receivables	234	26,001
Prepaid expenses	(57,614)	107,246
Accounts payable and accrued liabilities	(80,986)	(139,165)
Royalty fees payable	12,379	13,086
Deferred revenue	(42,009)	-
Cash used in operating activities	<u>(437,969)</u>	<u>(748,494)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Shares subscribed	<u>194,762</u>	-
Cash provided by financing activities	<u>194,762</u>	-
<b>Effect of exchange rate on cash</b>	<u>(376)</u>	-
<b>Change in cash and cash equivalents</b>	<u>(243,583)</u>	<u>(748,494)</u>
<b>Cash and cash equivalents, beginning</b>	<u>924,739</u>	<u>4,038,704</u>
<b>Cash and cash equivalents, ending</b>	<u>\$ 681,156</u>	<u>\$ 3,290,210</u>
<b>Cash and cash equivalents:</b>		
Cash	\$ 357,806	\$ 774,525
Money market mutual funds	323,350	2,515,685
	<u>\$ 681,156</u>	<u>\$ 3,290,210</u>
<b>Supplemental cash flow information:</b>		
Cash received for interest	<u>\$ 2,204</u>	<u>\$ 32,293</u>

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

## **SEKUR PRIVATE DATA LTD.**

### **NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**

For the three months ended March 31, 2024 and 2023

(Unaudited)

(Expressed in Canadian Dollars)

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#### **1. NATURE OF OPERATIONS AND GOING CONCERN**

##### a) Nature of operations

Sekur Private Data Ltd. (the “Company”) was incorporated under the Business Corporations Act (British Columbia) on March 1, 2017 and completed its initial public offering (“IPO”) during the year ended December 31, 2019. The Company’s common shares and tradeable warrants were listed on the Canadian Securities Exchange effective July 22, 2019 under the symbols “SWIS” and “SWIS.WT”, respectively. On November 5, 2019, the Company’s common shares began trading on the OTCQB Venture Market with the trading symbol SWISF. On April 14, 2022, the Company changed its name to Sekur Private Data Ltd. and the Company’s common shares and tradeable warrants were listed on the Canadian Securities Exchange under the new symbols “SKUR” and “SKUR.WT”, respectively. The Company began trading on the OTCQX as of April 29, 2022 under the trading symbol SWISF.

The Company is a Cybersecurity and Internet Privacy provider of Swiss-hosted solutions for secure communications and secure data management. The Company’s head office and principal address is located at First Canadian Place, 100 King Street West, Suite 5600, Toronto, ON, Canada, M5X 1C9 and the registered and records office is located at 595 Howe Street, Suite 704, Vancouver, BC, Canada, V6C 2T5.

These condensed consolidated interim financial statements were authorized for issue by the Board of Directors on May 21, 2024.

##### b) Going concern

As at March 31, 2024, the Company had a deficit of \$27,724,045 (December 31, 2023 - \$27,396,720) since inception and incurred negative operating cash flows of \$437,969 (year ended December 31, 2023 - \$3,141,003). As at March 31, 2024, the Company had a working capital balance of \$528,332 (December 31, 2023 - \$603,919). The Company’s continued operation as a going concern is dependent upon its ability to generate positive cash flows and/or obtain additional financing sufficient to fund continuing activities and acquisitions. While the Company continues to review operations in order to identify strategies and tactics to increase revenue streams and financing opportunities, there is no assurance that the Company will be successful in such efforts; if the Company is not successful, it may be required to significantly reduce or limit operations, or no longer operate as a going concern. It is also possible that operating expenses could increase in order to grow the business. If the Company does not start generating and significantly increase revenues to meet these increased operating expenses and/or obtain financing until its revenues meet these operating expenses, the Company’s business, financial condition and operating results could be materially adversely affected. The Company cannot be sure when or if it will ever achieve profitability and, if the Company does, it may not be able to sustain or increase that profitability. These factors form a material uncertainty that cast substantial doubt on the Company’s ability to continue as a going concern.

These condensed consolidated interim financial statements have been prepared using accounting policies applicable to a going concern, which contemplates the realization of assets and settlement of liabilities in the normal course of business as they become due and do not reflect any adjustments that would be necessary if the going concern basis was not appropriate. If the going concern basis was not appropriate, significant adjustments would be necessary in the carrying value of assets and liabilities, the reported expenses and the classifications used in the condensed consolidated interim statements of financial position.

#### **2. MATERIAL ACCOUNTING POLICIES**

The accounting policies applied by the Company in these condensed consolidated interim financial statements are the same as those applied by the Company as at and for the year ended December 31, 2023.

##### **Statement of compliance to International Financial Reporting Standards**

These condensed consolidated interim financial statements have been prepared in accordance with International Accounting Standards (“IAS”) 34, Interim Financial Reporting.

**SEKUR PRIVATE DATA LTD.****NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**

For the three months ended March 31, 2024 and 2023

(Unaudited)

(Expressed in Canadian Dollars)

**2. MATERIAL ACCOUNTING POLICIES (cont'd...)****Basis of presentation**

These condensed consolidated interim financial statements have been prepared on an accrual basis and are based on historical costs, modified where applicable. The condensed consolidated interim financial statements are presented in Canadian dollars unless otherwise noted.

**Significant estimates and judgments**

The preparation of these condensed consolidated interim financial statements in conformity with IFRS requires management to make estimates, judgments and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, revenue and expenses. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected.

The significant estimates and judgments applied by the Company in these condensed consolidated interim financial statements are the same as those applied by the Company as at and for the year ended December 31, 2023.

**Basis of Consolidation**

These condensed consolidated interim financial statements incorporate the financial statements of the Company and its controlled subsidiary. Control is defined as the exposure, or rights, to variable returns from involvement with an investee and the ability to affect those returns through power over the investee. Power over an investee exists when an investor has existing rights that give it the ability to direct the activities that significantly affect the investee's returns. This control is generally evidenced through owning more than 50% of the voting rights or currently exercisable potential voting rights of a Company's share capital. All intercompany transactions and balances have been eliminated.

These condensed consolidated interim financial statements include the financial statements of the Company and its wholly-owned subsidiary listed in the following table:

Name of Subsidiary	Country of Incorporation	Ownership Interest	Principal Activity
GlobeX Data, Inc.	USA	100%	Secure Data Management and Communications



**SEKUR PRIVATE DATA LTD.****NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**

For the three months ended March 31, 2024 and 2023

(Unaudited)

(Expressed in Canadian Dollars)

**3. EQUIPMENT**

	Solid-state Drives		Servers	Equipment	Total			
<b>Cost:</b>								
As at December 31, 2022	\$	99,172	\$	796,465	\$	-	\$	895,637
Additions during the year		-		-		21,996		21,996
As at December 31, 2023 and March 31, 2024		99,172		796,465		21,996		917,633
<b>Accumulated depreciation:</b>								
As at December 31, 2022		30,986		112,252		-		143,238
Depreciation for the year, included in research, development and software maintenance expense		24,792		199,117		4,124		228,033
As at December 31, 2023		55,778		311,369		4,124		371,271
Depreciation for the period, included in research, development and software maintenance expense		6,198		49,779		1,375		57,352
As at March 31, 2024		61,976		361,148		5,499		428,623
<b>Net book value:</b>								
At December 31, 2023	\$	43,394	\$	485,096	\$	17,872	\$	546,362
At March 31, 2024	\$	37,196	\$	435,317	\$	16,497	\$	489,010

**4. INTANGIBLE ASSET**

On March 30, 2018, the Company acquired all of the issued and outstanding shares of GlobeX Data Inc. (“GDI”), a company with a common director. As consideration for the acquisition, the Company issued 25 million common shares to GDI, with the license agreement held by GDI being assigned a fair value of \$2,552,573.

On April 3, 2017, the Company (as licensee) entered into the *GlobeX Data SA Secure Cloud Services Licensee License Agreement and Program* (the “Reseller Agreement”) with GlobeX Data S.A. (“GDSA”), a Swiss corporation with a common director, whereby GDSA granted the Company an exclusive, non-transferrable license to resell the Plan Offerings (as defined) to prospects in the United States and Canada for a perpetual term unless terminated by GDSA. Pursuant to the Reseller Agreement, the Company markets the Plan Offerings to prospects or customers (the “End User”) and the End User subscribes to the Plan Offerings by entering into an end user license agreement (the “EULA”) with GDSA by signing a contract with the Company. Acceptance of a prospect or customer as an End User is at the sole discretion of GDSA, with GDSA having the right to terminate an EULA. The Company has the absolute right to accept any End User and, if it does, it also assumes the liability of acceptance of the End User. GDSA charges the End User a service fee for the Plan Offerings, with payment received by GDSA being remitted to the Company. The Company also has the option of collecting funds directly from the End User. Gross service fee revenue is split between GDSA (10%, being the royalty fee recorded to the condensed consolidated interim statement of comprehensive loss) and the Company (90%). The Reseller Agreement can be terminated by GDSA at any time if the Company fails to cure a breach of any part of the Reseller Agreement within 30 days of receiving written notice of the breach.

**SEKUR PRIVATE DATA LTD.**

**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**

For the three months ended March 31, 2024 and 2023

(Unaudited)

(Expressed in Canadian Dollars)

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**4. INTANGIBLE ASSET (cont'd...)**

On May 7, 2017, the Company (as licensee) entered into the *GlobeX Data Secure Cloud Services Licensee Agreement and Program* (“Reseller Agreement 2”) with GDSA, whereby GDSA granted to the Company an exclusive, transferrable license to resell the Plan Offerings (as defined) to prospects in all countries except Switzerland, Lichtenstein, the Principality of Monte Carlo, the Vatican City State, Canada and the United States for a perpetual term unless terminated by GDSA. The terms and conditions of Reseller Agreement 2 are the same as for the Reseller Agreement as described, except that the Company has 90 days to cure a breach of any part of Reseller Agreement 2.

On July 21, 2022, the Company entered into an Addendum (the “Addendum”) to the Global License Agreement with GDSA. This Addendum allows the Company to market/distribute the Products globally, including Switzerland, Lichtenstein, The Principality of Monte Carlo, The Vatican City State, and The Grand-Duchy of Luxembourg. The Company is permitted to market the Products in Switzerland only through online sales, and is not permitted to enter into a physical Reseller relationship in Switzerland. All other countries globally are now open to market by the Company.

During the period ended March 31, 2024, the Company accrued royalty fees of \$11,485 (2023 - \$13,110) in respect of the Reseller Agreement.

As at March 31, 2024, \$50,483 (December 31, 2023 - \$38,104) was payable to GDSA pursuant to the Reseller Agreement.

The Company reperformed its impairment test at December 31, 2022, and determined that the carrying value was in excess of its recoverable amount. Therefore the Company recorded an impairment of the intangible asset of \$2,522,573 for the year ended December 31, 2022 and restated the consolidated financial statements.

**5. SHARE CAPITAL**

The Company has authorized an unlimited number of common shares and preferred shares. No preferred shares have been issued.

There were no share issuances for the period ended March 31, 2024.

During the period ended March 31, 2024, the Company received \$194,762 towards a future financing.

During the year ended December 31, 2023, the Company:

- a) Issued 1,357,500 common shares at a fair value of \$202,995 for marketing services.
- b) Issued 1,000,000 common shares at a fair value of \$180,000 for settlement of a marketing agreement.
- c) Received proceeds of \$50,000 from the exercise of 250,000 stock options.

**SEKUR PRIVATE DATA LTD.****NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**

For the three months ended March 31, 2024 and 2023

(Unaudited)

(Expressed in Canadian Dollars)

**5. SHARE CAPITAL (cont'd...)**Stock Options

The Company adopted a stock option plan on April 30, 2018. The stock option plan provides that, subject to the requirements of the CSE, the aggregate number of securities reserved for issuance will be 15% of the number of the Company's common shares issued and outstanding at the time such options are granted. The exercise price of option grants will be determined by the Board of Directors but will not be less than the closing market price of the common shares on the CSE less allowable discounts at the time of grant. All options granted under the stock option plan will expire not later than the date that is ten years from the date that such options are granted.

	Number of Options	Weighted Average Exercise Price (\$)
Outstanding at December 31, 2022	-	-
Granted	11,516,272	0.10
Exercised	(250,000)	0.20
<b>Outstanding and exercisable, December 31, 2023 and March 31, 2024</b>	<b>11,266,272</b>	<b>0.10</b>

The weighted-average remaining contractual life of options at March 31, 2024 was 7.02 years (December 31, 2023 – 7.27 years).

Additional information regarding stock options outstanding as at March 31, 2024 is as follows:

Number of Options	Exercise Price (\$)	Expiry Date
100,000	0.15	May 17, 2024*
3,000,000	0.20	August 30, 2026
8,166,272	0.06	January 13, 2033
11,266,272		

\*Expired subsequent to March 31, 2024, unexercised.

During the period ended March 31, 2024, the Company granted \$nil (year ended December 31, 2023 - 11,516,272) stock options with a fair market value of \$nil (year ended December 31, 2023 - \$870,458) or \$nil (year ended December 31, 2023 - \$0.08) per option which was charged to operations in the following accounts: \$nil (year ended December 31, 2023 - \$70,110) to accounting, \$nil (year ended December 31, 2023 - \$416,975) to consulting, \$nil (year ended December 31, 2023 - \$347,757) to director's fees, \$nil (year ended December 31, 2023 - \$7,819) to legal and \$nil (year ended December 31, 2023 - \$27,797) to marketing. The following assumptions were used for the Black-Scholes valuation of the stock options assuming no expected dividends or forfeitures:

	Period ended March 31, 2024	Year ended December 31, 2023
Risk-free interest rate	-	2.89% - 4.69%
Expected life (in years)	-	1-10
Expected volatility	-	116.70% - 155.57%

**SEKUR PRIVATE DATA LTD.****NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**

For the three months ended March 31, 2024 and 2023

(Unaudited)

(Expressed in Canadian Dollars)

**5. SHARE CAPITAL (cont'd...)**Warrants

	Number of Warrants	Weighted Average Exercise Price (\$)
Outstanding, December 31, 2022	27,438,071	0.49
Expired	(25,116,486)	0.47
<b>Outstanding, December 31, 2023 and March 31, 2024</b>	<b>2,321,585</b>	<b>0.70</b>

The weighted-average remaining contractual life of warrants at March 31, 2024 was 0.05 years (December 31, 2023 – 0.30 years). No value was allocated to the warrants.

Additional information regarding warrants outstanding as at March 31, 2024 is as follows:

Exercise price (\$)	Number of warrants	Expiry Date
0.70	2,321,585	April 18, 2024*
	2,321,585	

\*expired subsequent to period ended March 31, 2024, unexercised.

**6. RELATED PARTY TRANSACTIONS**

Related party transactions were in the normal course of operations and measured at the exchange amount, which is the amount established and agreed to by the related parties. Key management personnel are the persons responsible for planning, directing and controlling the activities of the Company, and include both executive and non-executive directors, and entities controlled by such persons. The Company considers all directors and officers of the Company to be key management personnel.

During the period ended March 31, 2024, the Company incurred \$10,640 (2023 - \$9,750) in accounting fees and corporate services to an accounting firm in which an officer of the Company is a partner. As at March 31, 2024, there was \$14,478 (December 31, 2023 - \$4,285) owing to this firm, included in accounts payable and accrued liabilities. This balance is unsecured, non-interest bearing and has no fixed terms of repayment.

During the period ended March 31, 2024, the Company granted nil (year ended December 31, 2023 – 7,821,272) stock options with a fair value of \$nil (year ended December 31, 2023 - \$407,703) to directors and officers of the Company of which \$nil (year ended December 31, 2023 - \$59,946) was recorded to accounting expense and \$nil (year ended December 31, 2023 - \$347,757) was recorded to director's fees.

During the period ended March 31, 2024, the Company paid or accrued data center and hardware maintenance fees of \$45,000 (2023 - \$170,000) and royalty fees of \$11,485 (2023 - \$13,110) to GDSA, a company with common directors (see Note 4).

**SEKUR PRIVATE DATA LTD.**

**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**

For the three months ended March 31, 2024 and 2023

(Unaudited)

(Expressed in Canadian Dollars)

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**7. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT**

Financial instruments measured at fair value are classified into one of three levels in the fair value hierarchy according to the relative reliability of the inputs used to estimate the fair values. The three levels of the fair value hierarchy are:

- Level 1 – Unadjusted quoted prices in active markets for identical assets or liabilities;
- Level 2 – Inputs other than quoted prices that are observable for the asset or liability either directly or indirectly; and
- Level 3 – Inputs that are not based on observable market data.

The fair value of the Company's receivables (excluding GST), accounts payable and accrued liabilities and royalty fees payable approximate their carrying value. The Company's other financial instrument, being cash and cash equivalents, is measured at amortized cost.

The Company is exposed in varying degrees to a variety of financial instrument related risks. The Board of Directors approves and monitors the risk management processes, inclusive of documented investment policies, counterparty limits, and controlling and reporting structures. The type of risk exposure and the way in which such exposure is managed is provided as follows:

a) *Credit risk*

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. The Company's primary exposure to credit risk is on its cash and cash equivalents of \$681,156 (December 31, 2023 - \$924,739) held in bank and investment accounts. The Company has deposited the cash with its bank from which management believes the risk of loss is remote.

b) *Liquidity risk*

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they become due. The Company's approach to managing liquidity is to ensure that it will have sufficient liquidity to meet liabilities when due. Accounts payable and accrued liabilities are due within the current operating year. The Company has a sufficient cash balance to settle current liabilities.

c) *Market risk*

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return.

d) *Currency risk*

A portion of the Company's financial assets and liabilities are denominated in US dollars. The Company monitors this exposure, but has no hedge positions.

The Company is exposed to currency risk on fluctuations related to cash, accounts payable and accrued liabilities and royalty fees payable that are denominated in US dollars. At March 31, 2024, a 10% change in the value to the US dollar as compared to the Canadian dollar would not have a significant effect on net loss.

**SEKUR PRIVATE DATA LTD.****NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**

For the three months ended March 31, 2024 and 2023

(Unaudited)

(Expressed in Canadian Dollars)

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**7. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (cont'd...)***e) Interest rate risk*

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company is exposed to interest rate risk, from time to time, on its cash balances. Surplus cash, if any, is placed on call with financial institutions and management actively negotiates favorable market related interest rates.

**8. CAPITAL DISCLOSURE AND MANAGEMENT**

The Company defines its capital as all components of shareholders' equity. The Company's objectives when managing capital are to safeguard its ability to continue as a going concern.

In order to maintain its capital structure, the Company is dependent on equity funding and when necessary, raises capital through the issuance of equity instruments, primarily comprised of common shares. 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 make changes to its capital structure as deemed appropriate under the specific circumstances.

The Company is not subject to any externally imposed capital requirements or debt covenants, and does not presently utilize any quantitative measures to monitor its capital. There were no changes to the Company's approach to managing capital during the period.

**9. CONTRACTUAL OBLIGATIONS**

During the year ended December 31, 2021, the Company entered into three production and broadcasting agreements with two media services company in the United States to assist the Company in furthering its media awareness through television, production, media analysis and procurement as follows:

- May 10, 2021 – 14-month campaign with Accel Media International LLC (“AMI”): development of a biography format television show, production of 14 specialized NASDAQ interviews, tech reports and emerging growth articles, broadcast of the interviews via five media outlets, production and broadcast a minimum of 30 commercials per month and social media support. As compensation for performing these services, AMI will receive US\$15,000 (\$19,870) per month and 500,000 common shares of the Company. This agreement continued on a month-to-month basis;
- June 1, 2021 – 14-month campaign with AMI: broadcast a minimum of two security segments per month via two media outlets. As compensation for performing these services, AMI will receive US\$5,000 (\$6,623) per month and 500,000 common shares of the Company. The Company has the right to produce two additional segments, at US\$2,500 (\$3,312) per segment, for a maximum of four segments per month. This agreement continued on a month-to-month basis until it was extended and amended per the agreement dated January 25, 2023 outlined below; and
- October 25, 2021 – 18-month marketing campaign with AMI: as for the May 10, 2021 agreement. As compensation for performing these services, AMI will receive US\$30,000 (\$39,740) per month and 300,000 common shares of the Company. This agreement was amended per the agreement dated January 25, 2023 outlined below.

On December 23, 2021, an aggregate of 1,300,000 common shares of the Company were issued to AMI at a value of US\$572,000 (\$757,711) based on the Company's share price of \$0.44 on that date.

**SEKUR PRIVATE DATA LTD.****NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**

For the three months ended March 31, 2024 and 2023

(Unaudited)

(Expressed in Canadian Dollars)

**9. CONTRACTUAL OBLIGATIONS (cont'd...)**

On January 25, 2023, the Company amended its outstanding agreements with AMI and entered into a single 24-month agreement to assist the Company in furthering its media awareness. The Company has agreed to pay AMI, in aggregate, US\$542,500 (\$718,633) of which US\$120,000 (\$161,089) was paid in payments ranging from US\$15,000 (\$19,870) to US\$25,000 (\$33,117) and were recorded to marketing expenses on the consolidated statements of loss and comprehensive loss during the year ended December 31, 2023.

On October 16, 2023, the Company amended the January 25, 2023 agreement to pay five monthly payments of US\$17,500 (\$23,182) from November 2023 to March 2024 and issue 1,571,428 common shares (not issued) as payment for services to be provided in fiscal 2024.

**10. SEGMENT INFORMATION**

The operating segment is reported in a manner consistent with the internal reporting provided to the key management team that comprises the Chief Executive Officer (“CEO”), the Chief Financial Officer (“CFO”) and the Chief Operating Officer (“COO”). The key management team fulfills the role of the chief operating decisionmaker. The key management team is responsible for allocating resources and assessing the performance of the Company’s operating segments. The Company manages its business under a single reportable operating segment, being the Swiss-hosted Cybersecurity and Internet Privacy solutions for secure communications and secure data management worldwide.

**(a) Total Revenues by Major Product Type**

Revenue is recognized at the point in time when the customer obtains control of the service. The following table shows the Company’s revenue disaggregated by major solution type:

	<b>Period ended March 31, 2024</b>		<b>Year ended December 31, 2023</b>
Business to Business partners	\$ 3,576	\$	11,211
Direct customer purchases	<b>155,888</b>		<b>531,971</b>
	<b>\$ 159,464</b>	<b>\$</b>	<b>543,182</b>

**(b) Total Revenues by geographical location**

The following table shows the Company’s revenue disaggregated by geographical location:

	<b>Period ended March 31, 2024</b>		<b>Year ended December 31, 2023</b>
Latin America	\$ 3,158	\$	7,975
United States	<b>156,306</b>		<b>535,207</b>
	<b>\$ 159,464</b>	<b>\$</b>	<b>543,182</b>

The Company operates in one reportable operating segment, being a Cybersecurity and Internet Privacy provider for secure communications and data management. Geographical information is as follows:

**SEKUR PRIVATE DATA LTD.****NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**

For the three months ended March 31, 2024 and 2023

(Unaudited)

(Expressed in Canadian Dollars)

**10. SEGMENT INFORMATION (cont'd...)**

	Total			Total	
	Current Assets	Equipment		Current Assets	Equipment
March 31, 2024					
Canada*	\$ 551,385	\$ 489,010	\$	\$ 1,040,395	
United States	269,298	-		269,298	
	\$ 820,683	\$ 489,010	\$	\$ 1,309,693	
December 31, 2023					
Canada*	\$ 515,538	\$ 546,362	\$	\$ 1,061,900	
United States	491,348	-		491,348	
	\$ 1,006,886	\$ 546,362	\$	\$ 1,553,248	

\* The equipment is owned by Sekur Private Data Ltd. but is located in Switzerland.