



SEKUR PRIVATE DATA LTD.

CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED JUNE 30, 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 – Prepared by Management)
(Expressed in Canadian Dollars)
As at

	June 30, 2024	December 31, 2023
ASSETS		
Current		
Cash and cash equivalents	\$ 795,801	\$ 924,739
Receivables	21,800	42,746
Prepaid expenses	62,524	39,401
	<u>880,125</u>	1,006,886
Non-current		
Equipment (Note 3)	431,658	546,362
	<u>431,658</u>	<u>546,362</u>
Total Assets	\$ 1,311,783	\$ 1,553,248
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities		
Accounts payable and accrued liabilities	\$ 193,294	\$ 272,080
Royalty fees payable (Note 4)	63,141	38,104
Deferred revenue	43,972	92,783
	<u>300,407</u>	<u>402,967</u>
Shareholders' equity		
Share capital (Note 5)	22,471,126	22,457,126
Reserves (Note 5)	6,069,868	6,069,868
Shares subscribed (Note 5)	663,904	-
Accumulated other comprehensive income	18,291	20,007
Deficit	<u>(28,211,813)</u>	<u>(27,396,720)</u>
	<u>1,011,376</u>	<u>1,150,281</u>
Total Liabilities and Shareholders' Equity	\$ 1,311,783	\$ 1,553,248

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 – Prepared by Management)

(Expressed in Canadian Dollars)

As at

	Three months ended June 30, 2024	Three months ended June 30, 2023	Six months ended June 30, 2024	Six months ended June 30, 2023
REVENUE (Note 10)	\$ 130,434	\$ 128,841	\$ 289,898	\$ 260,580
EXPENSES				
Accounting and audit (Notes 5 and 6)	41,799	15,165	107,946	95,025
Consulting fees	17,588	13,114	18,801	13,966
Credit card processing fees	6,843	7,299	13,611	15,188
Data center and hardware maintenance (Note 6)	85,000	165,000	130,000	335,000
Director's fees (Notes 5 and 6)	-	-	-	347,757
Legal	8,599	17,284	10,570	38,399
Marketing (Note 9)	159,704	294,794	377,138	883,057
Office and administration	16,078	9,213	21,846	14,057
Research, development and software maintenance (Note 3)	229,199	265,669	357,374	382,578
Rent and virtual office	9,036	12,147	20,710	18,504
Royalty fees (Notes 4 and 6)	12,145	12,720	23,630	25,830
Transfer agent and filing fees	12,289	33,106	19,475	48,355
Travel	18,304	21,883	23,296	41,616
	(616,584)	(867,394)	(1,124,397)	(2,259,332)
OTHER ITEMS				
Interest income	3,803	27,029	6,007	59,422
Loss on foreign exchange	(5,421)	(19,050)	13,399	(28,569)
	(1,618)	7,979	19,406	30,853
Net loss and comprehensive loss for the period	\$ (487,768)	\$ (730,574)	\$ (815,093)	\$ (1,967,899)
Other comprehensive income				
Translation adjustment	\$ (1,340)	\$ -	\$ (1,716)	\$ -
Comprehensive loss for the period	\$ (489,108)	\$ (730,574)	\$ (816,809)	\$ (1,967,899)
Basic and diluted loss per share	\$ (0.00)	\$ (0.01)	\$ (0.01)	\$ (0.02)
Weighted average number of common shares outstanding	119,718,655	117,025,441	119,675,798	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 six months ended June 30, 2024 and 2023

(Unaudited – Prepared by Management)

(Expressed in Canadian Dollars)

	Number of Shares	Share Capital \$	Shares Subscribed \$	Reserves \$	Accumulated Other Comprehensive Income \$	Deficit \$	Shareholders' Equity \$
Balance, December 31, 2022 (Restated – Note 4)	117,025,441	22,001,842	-	5,221,699	-	(19,875,784)	7,347,757
Share-based payments	-	-	-	431,194	-	-	431,194
Net loss for the period	-	-	-	-	-	(1,967,899)	(1,967,899)
Balance, June 30, 2023	117,025,441	22,001,842	-	5,652,893	-	(21,843,683)	5,811,052
Balance, December 31, 2023	119,632,941	22,457,126	-	6,069,868	20,007	(27,396,720)	1,150,281
Shares issued for cash	200,000	14,000	-	-	-	-	14,000
Shares subscribed	-	-	663,904	-	-	-	663,904
Net loss for the period	-	-	-	-	(1,716)	(815,093)	(816,809)
Balance, June 30, 2024	119,832,941	22,471,126	663,904	6,069,868	18,291	(28,211,813)	1,011,376

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 six months ended June 30,

(Unaudited – Prepared by Management)

(Expressed in Canadian Dollars)

	2024	2023
CASH FLOWS USED IN OPERATING ACTIVITIES		
Net loss for the period	\$ (815,093)	\$ (1,967,899)
Items not affecting cash:		
Depreciation	114,704	111,954
Share-based payments	-	431,194
Changes in non-cash working capital items:		
Receivables	20,946	18,461
Prepaid expenses	(23,123)	113,618
Accounts payable and accrued liabilities	(78,786)	(131,513)
Royalty fees payable	25,037	(26,208)
Deferred revenue	(48,811)	-
Cash used in operating activities	(805,126)	(1,450,393)
CASH FLOWS FROM FINANCING ACTIVITIES		
Shares issued for cash	14,000	-
Shares subscribed	663,904	-
Cash provided by financing activities	677,904	-
Effect of exchange rate on cash	(1,716)	-
Change in cash and cash equivalents	(128,938)	(1,450,393)
Cash and cash equivalents, beginning	924,739	4,038,704
Cash and cash equivalents, ending	\$ 795,801	\$ 2,588,311
Cash and cash equivalents:		
Cash	\$ 493,647	\$ 843,002
Money market mutual funds	302,154	1,745,309
	\$ 795,801	\$ 2,588,311
Supplemental cash flow information:		
Cash received for interest	\$ 6,007	\$ 59,422

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 six months ended June 30, 2024 and 2023

(Unaudited – Prepared by Management)

(Expressed in Canadian Dollars)

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 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 August 16, 2024.

b) Going concern

As at June 30, 2024, the Company had a deficit of \$28,211,813 (December 31, 2023 - \$27,396,720) since inception and incurred negative operating cash flows of \$805,126 (year ended December 31, 2023 - \$3,141,003). As at June 30, 2024, the Company had a working capital balance of \$579,718 (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 six months ended June 30, 2024 and 2023

(Unaudited – Prepared by Management)

(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
Sekur Private Data Inc. (formerly GlobeX Data, Inc.)	USA	100%	Secure Data Management and Communications

On March 7, 2024, the Company's subsidiary changed its name from GlobeX Data Inc. to Sekur Private Data Inc.

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

For the six months ended June 30, 2024 and 2023

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(Expressed in Canadian Dollars)

3. EQUIPMENT

	Solid-state Drives		Servers	Equipment	Total			
Cost:								
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 June 30, 2024		99,172		796,465		21,996		917,633
Accumulated depreciation:								
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		12,396		99,558		2,750		114,704
As at June 30, 2024		68,174		410,927		6,874		485,975
Net book value:								
At December 31, 2023	\$	43,394	\$	485,096	\$	17,872	\$	546,362
At June 30, 2024	\$	30,998	\$	385,538	\$	15,122	\$	431,658

4. INTANGIBLE ASSET

On March 30, 2018, the Company acquired all of the issued and outstanding shares of Sekur Private Data Inc. (formerly GlobeX Data Inc.) (“SDI”), a company with a common director. As consideration for the acquisition, the Company issued 25 million common shares to SDI, with the license agreement held by SDI 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 six months ended June 30, 2024 and 2023

(Unaudited – Prepared by Management)

(Expressed in Canadian Dollars)

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 June 30, 2024, the Company accrued royalty fees of \$23,630 (2023 - \$25,830) in respect of the Reseller Agreement.

As at June 30, 2024, \$63,141 (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.

During the period ended June 30, 2024, the Company:

- a) Issued 200,000 units at \$0.07 per unit for proceeds of \$14,000. Each unit consists of one common share and one share purchase warrant exercisable at \$0.12 for a period of three years from the date of issuance.
- b) Received \$663,904 towards a future financing.

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

- c) Issued 1,357,500 common shares at a fair value of \$202,995 for marketing services.
- d) Issued 1,000,000 common shares at a fair value of \$180,000 for settlement of a marketing agreement.
- e) 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 six months ended June 30, 2024 and 2023

(Unaudited – Prepared by Management)

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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
Outstanding at December 31, 2023	11,266,272	0.10
Expired	(100,000)	0.15
Outstanding and exercisable, June 30, 2024	11,166,272	0.10

The weighted-average remaining contractual life of options at June 30, 2024 was 6.83 years (December 31, 2023 – 7.27 years).

Additional information regarding stock options outstanding as at June 30, 2024 is as follows:

Number of Options	Exercise Price (\$)	Expiry Date
3,000,000	0.20	August 30, 2026
8,166,272	0.06	January 13, 2033
11,166,272		

During the period ended June 30, 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 June 30, 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 six months ended June 30, 2024 and 2023

(Unaudited – Prepared by Management)

(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
Outstanding, December 31, 2023	2,321,585	0.70
Expired	(2,321,585)	0.70
Granted	200,000	0.12
Outstanding, June 30, 2024	200,000	0.12

The weighted-average remaining contractual life of warrants at June 30, 2024 was 2.89 years (December 31, 2023 – 0.30 years). No value was allocated to the warrants.

Additional information regarding warrants outstanding as at June 30, 2024 is as follows:

Exercise price (\$)	Number of warrants	Expiry Date
0.12	200,000	May 22, 2027
	200,000	

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 June 30, 2024, the Company incurred \$19,640 (2023 - \$21,100) in accounting fees and corporate services to an accounting firm in which an officer of the Company is a partner. As at June 30, 2024, there was \$Nil (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 June 30, 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 June 30, 2024, the Company paid or accrued data center and hardware maintenance fees of \$130,000 (2023 - \$335,000) and royalty fees of \$23,630 (2023 - \$25,380) to GDSA, a company with common directors (see Note 4).

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

For the six months ended June 30, 2024 and 2023

(Unaudited – Prepared by Management)

(Expressed in Canadian Dollars)

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 \$795,801 (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 June 30, 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 six months ended June 30, 2024 and 2023

(Unaudited – Prepared by Management)

(Expressed in Canadian Dollars)

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 six months ended June 30, 2024 and 2023

(Unaudited – Prepared by Management)

(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:

	Period ended June 30, 2024	Year ended December 31, 2023
Business to Business partners	\$ 5,386	\$ 11,211
Direct customer purchases	<u>284,512</u>	<u>531,971</u>
	<u>\$ 289,898</u>	<u>\$ 543,182</u>

(b) Total Revenues by geographical location

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

	Period ended June 30, 2024	Year ended December 31, 2023
Latin America	\$ 4,569	\$ 7,975
United States	<u>285,329</u>	<u>535,207</u>
	<u>\$ 289,898</u>	<u>\$ 543,182</u>

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 six months ended June 30, 2024 and 2023

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

	Total		Equipment		Total
	Current Assets				
June 30, 2024					
Canada*	\$ 852,576	\$	431,658	\$	1,284,234
United States	27,549		-		27,549
	\$ 880,125	\$	431,658	\$	1,311,783
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.