Consolidated Financial Statements

Reklaim Ltd. (formerly Killi Ltd.)

Years ended December 31, 2021 and 2020

(Expressed in Canadian Dollars)

Independent Auditor's Report

To the Shareholders of Reklaim Ltd. (formerly Killi Ltd.):

Opinion

We have audited the consolidated financial statements of Reklaim Ltd. (formerly Killi Ltd.) and its subsidiaries (the "Company"), which comprise the consolidated statements of financial position as at December 31, 2021 and December 31, 2020, and the consolidated statements of loss and comprehensive loss, statements of changes in equity and cash flows for the years then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Company as at December 31, 2021 and December 31, 2020, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with International Financial Reporting Standards.

Basis for Opinion

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

Material Uncertainty Related to Going Concern

We draw attention to Note 2 in the consolidated financial statements, which indicates that the Company incurred a comprehensive loss and negative cash flows from operations during the year ended December 31, 2021 and, as of that date had an accumulated deficit. As stated in Note 2, these events or conditions, along with other matters as set forth in Note 2, 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.

Other Information

Management is responsible for the other information. The other information comprises Management's Discussion and Analysis.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audits of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audits or otherwise appears to be materially misstated. We obtained Management's Discussion and Analysis prior to the date of this auditor's report. If, based on the work we have performed on this other information, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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

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

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

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

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

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

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audits and significant audit findings, including any significant deficiencies in internal control that we identify during our audits.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

The engagement partner on the audit resulting in this independent auditor's report is Blair Michael Mabee.

MNP LLP

Mississauga, Ontario — Chartered Professional Accountants

March 31, 2022 — Licensed Public Accountants

Reklaim Ltd. (Formerly Killi Ltd.)

Consolidated Statements of Financial Position
As at December 31,
(in Canadian Dollars)

	Note	2021	2020
Assets			
Current Assets			
Cash and cash equivalents	5	$ 463,620	$ 1,519,500
Trade and other receivables	6	351,865	382,399
Prepaid expenses		211,487	193,238
Total current assets		1,026,972	2,095,137
Non Current Assets			
Property and equipment, net	7	52,644	50,756
Total assets		$ 1,079,616	$ 2,145,893
Liabilities and Shareholders' Equity (Deficit)			
Current Liabilities			
Trade and other liabilities	8	$ 1,457,711	$ 848,544
Current portion of loans payable	9	18,869	26,409
Total current liabilities		1,476,580	874,953
Non-current portion of loans payable	9	23,345	30,702
Total liabilities		$ 1,499,925	$ 905,655
Shareholders' equity (deficit)			
Share capital	11	27,267,924	24,227,148
Warrants	11	1,529,381	500,552
Contributed surplus	12	1,742,778	1,163,694
Cumulative translation adjustment		132,835	118,749
Deficit		(31,093,227)	(24,769,905)
Total Shareholders' equity (deficit)		(420,309)	1,240,238
Total Shareholders' equity (deficit) and liabilities		$ 1,079,616	$ 2,145,893
Going concern uncertainity, related party, commitments, and subsequent event	2, 10, 13, 21		

Approved on behalf of the Board of Directors:

Original signed by
Neil Sweeney, CEO & Founder

Original signed by
Robert Fernicola, Chair of the Audit Committee

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

Reklaim Ltd. (Formerly Killi Ltd.)

Consolidated Statements of Loss and Comprehensive Loss
Years ended December 31,
(in Canadian Dollars)

	Note	2021	2020
Revenue	14	$ 1,000,200	$ 177,843
Cost of services	15	1,439,675	391,851
Gross profit (loss)		(439,475)	(214,008)
Expenses			
General and administrative	10, 16	1,870,693	1,731,139
Research and development	16	1,033,492	1,676,203
Selling and business development	16	1,340,387	490,417
Marketing	16	1,807,083	454,957
		6,051,655	4,352,716
Other income (loss)			
Gain on sale of Freckle business unit	19	157,151	233,467
Property and equipment disposal	7	-	(2,891)
Interest income		10,657	8,009
		167,808	238,585
Net loss from continuing operations		(6,323,322)	(4,328,139)
Loss from discontinued operations, net of tax	19	-	(326,635)
Net loss		(6,323,322)	(4,654,774)
Other comprehensive gain (loss)			
Foreign currency translation differences		14,086	92,140
Total comprehensive loss		$ (6,309,236)	$ (4,562,634)
Net loss per share from continuing operations:			
Basic and diluted		$ (0.096)	$ (0.086)
Net loss per share from discontinued operations:			
Basic and diluted		$ -	$ (0.007)
Weighted average number of common shares outstanding			
Basic and diluted		66,039,645	50,084,557

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

Reklaim Ltd. (Formerly Killi Ltd.)

Consolidated Statements of Changes in Equity
Years ended December 31,
(in Canadian Dollars)

		Number of Common Shares (As restated - Note 10)	Share Capital	Warrants	Contributed Surplus	Cumulative translation adjustment	Accumulated Deficit	Total Equity (Deficiency)
Balance as at January 1, 2020		43,304,343	$ 21,014,079	$ 1,212,669	$ 400,439	$ 26,609	$ (20,115,131)	$ 2,538,665
Issuance of share capital related to the private placement	11	8,400,000	823,289	226,711	-	-	-	$ 1,050,000
Exercise of stock options	11	100,000	92,804	-	(67,804)	-	-	$ 25,000
Exercise of warrants	11	8,400,000	2,326,711	(226,711)	-	-	-	$ 2,100,000
Share issuance costs	11	-	(29,735)	-	-	-	-	$ (29,735)
Reclassing expired warrants	11	-	-	(712,117)	712,117	-	-	$ -
Share-based compensation	12	-	-	-	118,942	-	-	$ 118,942
Net loss and comprehensive loss		-	-	-	-	92,140	(4,654,774)	$ (4,562,633)
Balance as at December 31, 2020		60,204,343	24,227,148	500,552	1,163,694	118,749	(24,769,905)	1,240,238
Balance as at January 1, 2021		60,204,343	24,227,148	500,552	1,163,694	118,749	(24,769,905)	1,240,238
Issuance of share capital related to the private placement	11	7,054,818	3,034,572	1,551,060	-	-	-	$ 4,585,632
Share issuance costs	11	-	(42,413)	(21,679)	-	-	-	$ (64,092)
Reclassing expired warrants	11	-	-	(500,552)	500,552	-	-	$ -
Exercise of stock options	11	118,733	48,617	-	(18,934)	-	-	$ 29,683
Share-based compensation	12	-	-	-	97,466	-	-	$ 97,466
Net loss and comprehensive loss		-	-	-	-	14,086	(6,323,322)	$ (6,309,236)
Balance as at December 31, 2021		67,377,894	27,267,924	1,529,381	1,742,778	132,835	(31,093,227)	$ (420,309)

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

Reklaim Ltd. (Formerly Killi Ltd.)

Consolidated Statements of Cash Flows
Years ended December 31,
(in Canadian Dollars)

	Note	2021	2020
Operating activities			
Net loss from continuing operations		$ (6,323,322)	$ (4,328,139)
Net cash flows from discontinued operations	19	-	(326,635)
Adjustments to net loss:			
Depreciation of property and equipment	7	23,785	26,377
Loss on sale of property and equipment	7	-	2,891
Gain on sale of disposed business	19	(157,151)	(233,467)
Interest related to financing, net		10,657	4,801
Share based compensation	12	97,466	118,943
Net change in non-cash operating working capital	17	621,452	411,264
Net cash flows used in operating activities		(5,727,113)	(4,323,965)
Financing activities			
Issuance of units, net issuance costs		2,992,159	1,020,265
Issuance of warrants, net issuance costs		1,529,381	-
Proceeds on exercise of stock options		29,683	25,000
Proceeds on exercise of warrants		-	2,100,000
Proceeds from issuance of debt		33,333	44,196
Repayment of debt		(48,230)	(31,269)
Interest paid		(10,657)	(4,801)
Cash flows from financing activities		4,525,669	3,153,391
Investing activities			
Proceeds on disposal of business	19	157,151	240,073
Purchase of property and equipment	7	(25,673)	(6,666)
Proceeds from sale of property and equipment	7	-	400
Cash flows from investing activities		131,478	233,807
Effect of foreign exchange on cash and cash equivalents		14,086	92,140
Net decrease in cash and cash equivalents		(1,055,880)	(844,627)
Cash and cash equivalents, beginning of year		1,519,500	2,364,127
Cash and cash equivalents, end of year		$ 463,620	$ 1,519,500

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

1. CORPORATE INFORMATION

Reklaim Ltd. ("Reklaim", the "Company") is a company driven by consumer data and privacy evolution. Offering compliant, first-party data to brands & agencies, platforms, and data companies, Reklaim allows consumers to visit the platform, confirm their identity and unveil data that has been collected and sold on them for years. Reklaim enables consumers to take back control of this data by setting up a Reklaim account where, should they choose to, consumers can be compensated for using their data.

The address of the Company's corporate office is 1306-80 John Street, Toronto, ON, M5V 3X4.

Reklaim, formerly Killi Ltd., was incorporated on January 14, 1997 pursuant to the ABCA as 723765 Alberta Ltd.

On May 25, 2020, the Company changed its name from Freckle Ltd. to Killi Ltd. and the Company's common shares commenced trading on the TSX Venture Exchange (the "TSXV") under the symbol "MYID".

On May 29, 2020, the Company finalized a definitive asset purchase agreement with PlaceIQ, Inc. ("PlaceIQ") for the sale of certain assets of the Company's offline attribution and data business (see Note 19).

On November 4, 2020, the Company completed its up-list and the Company's common shares commenced trading on the OTCQB Venture Market under the symbol "MYIDF".

On April 1, 2021, the Company consolidated all the issued and outstanding common shares on a five for one basis (the "Consolidation"). The Consolidation reduced the common shares issued and outstanding at April 1, 2021 from 336,296,001 pre-consolidated to 67,259,161 post-consolidated common shares.

On November 1, 2021, the name of the Company was changed from Killi Ltd. to Reklaim Ltd.

2. GOING CONCERN UNCERTAINTY

These consolidated financial statements have been prepared on a going concern basis in accordance with International Financial Reporting Standards ("IFRS") as issued by International Accounting Standards Board (IASB). The going concern basis of presentation assumes the Company will continue to operate for the foreseeable future and will be able to realize its assets and discharge its liabilities in the normal course of business. During the year ended December 31, 2021, the Company incurred a comprehensive loss of $6,309,236 (2020 - $4,562,634) and negative cash flows from operations of $5,727,113 (2020 – $4,323,965). In addition, the Company has an accumulated deficit of $31,093,227 (December 31, 2020 - $24,769,905).

In assessing whether the going concern assumption is appropriate, management takes into account all available information about the future, which is at least, but not limited to, twelve months from the end of the reporting period. This assessment is based upon planned actions that may or may not occur for a number of reasons including the Company's own resources and external market conditions.

The Company's ability to continue as a going concern, realize its assets and discharge its liabilities in the normal course of business, meet its corporate administrative expenses, continue its research and development activities and support the operations of its subsidiaries, is dependent upon management's ability to obtain additional financing, through various means including but not limited to equity financing. No assurance can be given that any such additional financing will be available, or that it can be obtained on terms favorable to the Company. The Company has also been affected by the outbreak of COVID-19. The full impact of the COVID-19 pandemic on our full year financial results will depend on future development, such as the ultimate duration and scope (see Note 3 (h)). The above factors indicate a material uncertainty that may cast significant doubt as to the Company's ability to continue to operate as a going concern.

On February 24, 2022, the Company announced that it completed the issuance of senior secured debentures for aggregate gross proceeds of $1,640,000 (see Note 21). The Company has also issued 1,366,666 shares of the Company at a price of $0.24 in connection with the issuance.

These consolidated financial statements do not reflect adjustments that would be necessary if the going concern assumption were not appropriate. If the going concern basis was not appropriate for these financial statements, then adjustments would be necessary to the carrying amounts of assets and liabilities, the reported expenses and the classifications used in the statements of financial position. These adjustments could be material.

3. SIGNIFICANT ACCOUNTING POLICIES

The following accounting policies have been used throughout all periods presented in the consolidated financial statements.

(a) Basis of preparation and statement of compliance with IFRS

These consolidated financial statements, including comparatives, have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and the Interpretations of the International Financial Reporting Interpretations Committee ("IFRIC") and in effect at the closing date of December 31, 2021.

On March 31, 2022, the Company's Board of Directors approved these consolidated financial statements and authorize them for issue.

(b) Basis of preparation and statement of compliance with IFRS

The consolidated financial statements have been prepared on the historical cost basis except for certain financial instruments that are measured at fair value, as explained in the accounting policies.

(c) Basis of consolidation

The consolidated financial statements include the accounts of the Company and its subsidiaries. The chart below summarizes the entities included in the consolidated financial statements as at December 31, 2021 and 2020.

Entity Name	Place of Incorporation	Ownership	Functional Currency
Reklaim Ltd. (formerly Killi Ltd.)	Ontario, Canada	Parent	Canadian dollars
Reklaim Inc. (formerly Killi Inc.)	Ontario, Canada	Wholly owned subsidiary of Reklaim Ltd.	Canadian dollars
Reklaim Holdings Ltd. (formerly Killi Holdings Ltd.)	Ontario, Canada	Wholly owned subsidiary of Reklaim Inc.	Canadian dollars
Reklaim USA Inc (formerly Killi USA Inc.)	Delaware, USA	Wholly owned subsidiary of Reklaim Inc.	United States dollars

(d) Functional currency and foreign currency translation

These consolidated financial statements are presented in Canadian dollars, which is also the parent's functional currency. Transactions in foreign currencies are translated into the functional currency of the relevant parent/subsidiary company using the exchange rate in effect on the transaction date. Foreign exchange gains and losses resulting from the settlement of such transactions and from the remeasurement of monetary items at the reporting date exchange rate are recognized in net loss. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction. The functional currency of the subsidiaries remain unchanged during the reporting period.

Monetary assets and liabilities of Reklaim USA Inc. are translated into Canadian dollars at period end exchange rates, whereas non-monetary items are measured at historical cost are translated using the exchange rate at the date of the transaction. Income and expenses, and cash flows of foreign operations are translated into Canadian dollars using monthly average exchange rates. Exchange differences resulting from the translation of foreign operations are recognized in other comprehensive loss.

(e) Critical accounting estimates and judgments

The Company's consolidated financial statements are prepared in accordance with IFRS recognition and measurement principles that often require Management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts presented and disclosed in the consolidated financial statements.

Management reviews these estimates and assumptions on an ongoing basis based on historical experience, changes in business conditions and other relevant factors as it believes to be reasonable under the circumstances. Changes in facts and circumstances may result in revised estimates, and actual results could differ from those estimates. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected.

<u>Estimates</u>

Share-based compensation

The estimation of share-based compensation requires the selection of an appropriate valuation model and consideration as to the inputs necessary for the valuation model chosen. The Company has chosen the Black-Scholes valuation model. The Company has made estimates as to the volatility of its own share, the probable life of share options granted, the forfeiture rate of options granted, and the time of exercise of those share options.

Warrants

The Company follows the residual method with respect to the measurement of common shares and warrants issued as private placement units. The proceeds from the issuance of units are allocated between share capital and warrants. Unit proceeds are allocated to shares and warrants using the relevant valuation model such as Black-Scholes or the barrier option pricing models where appropriate.

Impairment of financial assets

The loss allowances for financial assets are based on assumptions about risk of default and expected loss rates. The Company uses judgment in making these assumptions and selecting the inputs to the impairment calculation, based on the Company's past history, existing market conditions as well as forward looking estimates at the end of each reporting period. Details of key assumptions are disclosed in Note 18.

Income Taxes

Provisions for taxes are made using the best estimate of the amount expected to be paid based on a qualitative assessment of all relevant factors. The Company reviews the adequacy of these provisions at the end of the reporting period. However, it is possible that at some future date an additional liability could result from audits by taxing authorities. Where the final outcome of these tax-related matters is different from the amounts that were initially recorded, such differences will affect the tax provisions in the period in which such determination is made.

Judgments

Assessing the stage of completion of revenue and transaction price allocated to performance obligations

The satisfaction of the performance obligation is assessed by management by taking into consideration all information available at the reporting date. In this process, management estimates for each project's milestones and actual work performed.

For contracts with multiple performance obligations management allocates the transaction price based on the stand-alone selling prices of the good or service included following the expected cost plus a margin approach whereby management determines the level of effort to satisfy each obligation from both a system and staffing standpoint and allocates the revenue accordingly based on their judgment.

Further information on the Company's accounting policy for revenue recognition is provided in Note 3(l).

Assessing the probability of utilizing deferred tax assets and investment tax credits

Deferred tax assets and investment tax credits are recognized for unused tax losses and credits to the extent that it is probable that taxable income will be available against which the losses can be utilized, and the likelihood of the investment tax credit being received. These judgments are reviewed at every reporting date. The tax rules in the numerous jurisdictions in which the Company operates are also taken into consideration.

Functional currency

An area of judgment that has a significant effect on the amounts recognized in these consolidated financial statements is the determination of the functional currency.

The determination of the Company and its subsidiary's functional currency often requires significant judgment where the primary economic environment in which they operate may not be clear. This can have a significant impact on the consolidated results of the Company based on the foreign currency translation methods used.

Contracts with customers

Contracts with customers often include promises to deliver multiple products or services. Determining whether such bundled products or services are considered i) distinct performance obligations that should be separately recognized, or ii) non-distinct and therefore should be combined with another good or service and recognized as a combined unit of accounting may require significant judgment.

Measurement of variable consideration in disposal of business

During the year ended December 31, 2020, the Company disposed of its offline attribution and data business (Note 19). In accordance with IFRS 15, the Company is to recognize an amount of variable consideration only to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognized will not occur.

As at the transaction close date the Company did not record any variable considerations for the following reasons i) the amount of consideration is highly susceptible to factors outside of the entity's influence, ii) the uncertainty about the amount of consideration is not expected to be resolved for a long period of time, iii) the entity's experience with similar types of contracts demonstrates the limited predictive value, iv) the contract has a large number and broad range of possible consideration amounts.

The Company will assess the performance of its offline attribution and data business on a quarterly basis. Only after this quarterly assessment will the Company be able to estimate the variable consideration as a credit to gain on sale and record an account receivable on the statement of financial position within the quarter when the uncertainty is resolved.

Eligibility of qualifying for the Canadian Emergency Wage Subsidy (CEWS)

With the introduction of the Canadian Emergency Wage Subsidy (CEWS), the Company was able to capitalize on the financial relief the government provided. Determining the eligibility requires significant judgment due to i) attesting to the CEWS claim, ii) the reliability of monthly reporting and iii) the measurement of "qualifying revenue".

Going concern risk assessment

The assessment of the Company's ability to continue as a going concern and raising additional debt or equity financing or attaining commercial operations and generating sufficient revenues to achieve and sustain profitability for the ensuing year, and to fund planned research and development activities, involves significant judgment based on historical experience and other factors including expectation of future events that are believed to be reasonable under the circumstances.

(f) Discontinued operations and gain (loss) on sale

A disposal group qualifies as discontinued operation if it is a major component of an entity that either has been disposed of, or, is classified as held for sale, and represents a separate major line of business or geographical areas of operations, is part of a single coordinated plan to dispose of a separate major line of business or geographical area of operations, or, is a subsidiary acquired exclusively with a view to resale.

(in Canadian Dollars)

Discontinued operations are excluded from the results of continuing operations and are presented as a single amount as profit or loss after tax from discontinued operations in the statements of loss and comprehensive loss.

The measurement of the consideration promised in the contract is variable depending on the results of the disposed business. The Company is entitled to a revenue share net of any directly attributed costs governed by the asset purchase agreement. In accordance with IFRS 15, the Company is to recognize an amount of variable consideration only to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognized will not occur when the uncertainty associated with the variable consideration is subsequently resolved. At the end of each reporting period, the Company updates its estimated transaction price for assessment of variable consideration. Management believes that it is highly probable that a revenue reversal would occur, as such, management has made the judgment that no amount of variable consideration can be estimated reliably. The Company to date has recognized revenue on the sale based on the actual revenue share amount earned to the end of December 31, 2021.

(g) Impact of COVID-19 outbreak

In Q1 2020, there was a global outbreak of COVID-19 (coronavirus), which has had a significant impact on businesses through the restrictions put in place by the Canadian, American, provincial, state and municipal governments regarding travel, business operations and isolation/quarantine orders.

In response the Company has qualified for the Canadian Emergency Wage Subsidy ("CEWS'") and the Canadian Emergency Rent Subsidy ("CERS"). The amounts received have been broken down as follows:

	2021	2020
CEWS	**$ 489,510**	$ 447,773
CERS	**28,017**	10,708
	$ 517,527	$ 458,481

These amounts have been netted against departmental expenses in the consolidated financial statements of loss and comprehensive loss.

The future effect of COVID-19 on the economy and businesses, in general, remains uncertain. The medium and long term impact to the Company from COVID-19 will depend on the financial solutions achieved with government, lenders, post COVID-19 consumer behaviours, and the macro impact on the overall economy.

The Company continues to monitor and actively manage the developing impacts from COVID-19 and will continue to assess impacts to the Company's operations and the reported value of assets and liabilities reported in these consolidated financial statements.

There are material uncertainties related to the full effects of COVID-19 on the Company's business and operations, particularly, on the timing and collections of accounts receivables.

(h) Government assistance

Government contributions are recognized at fair value when there is reasonable assurance that the contribution will be received, and all the conditions attached to it will be complied with.

When the contribution relates to the acquisition of an asset, it is recognized in deferred income and credited to other income on a systematic basis over the useful life of the asset.

When the contribution relates to income it is deducted in reporting the related expense on a systematic basis over the periods in which the related costs for which the grant is intended to compensate are incurred.

(i) Investment tax credit

The Company is entitled to certain Canadian investment tax credits for qualifying research and development activities performed in Canada. These credits can be applied against future income taxes payable and are subject to a 20 year carry forward period. An estimate of the refundable investment tax credit on scientific research and development expenditures is recorded in the year the expenditures are incurred provided there is reasonable assurance that the credits will be received. For the year ended December 31, 2021, the Company had refundable tax credits of $Nil (2020 - $nil) that were recorded.

During the year ended December 31, 2021, the Company received payments of $Nil (2020 - $114,679) related to prior period investment tax credits and earned interest on amounts held.

The salaries and benefits related to research and development are reduced by the amount of the investment tax credit earned.

(j) Cash and cash equivalents

Cash represents cash deposits held at financial institutions. Cash equivalents include short-term highly liquid investments of sufficient credit quality that are readily convertible to known amounts of cash and have original maturities of three months or less or can be redeemed for cash at any time without penalties. Cash equivalents are held for meeting short-term liquidity requirements, rather than for investment purposes. Cash and cash equivalents are held at major financial institutions and are subject to credit risk to the extent they exceed federal deposit insurance limits.

(k) Revenue recognition

IFRS 15 has been applied to all contracts applying the following steps:

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

Revenue is measured based on the consideration specified in a contract and excludes amounts collected on behalf of third parties. The Company recognizes revenue when it transfers control over a product or service to a customer. Where the Company collects remuneration from customers in advance of the Company satisfying the contractual performance obligation, these amounts are recorded as a 'contract liability'. These contract liability amounts are ultimately recorded as revenue as the Company satisfies the relevant performance obligations which form part of the contract liability balance.

Nature of goods and services:

Continued operations:

Identity revenue is generated by creating derivative data products and providing mobile device data. The performance obligation is when the data or segment is received by the customer's systems. As the data is sent daily, the Company does monthly reconciliations and recognizes revenue based on that information. This also includes the revenue generated for completed surveys, watched videos and data sold.

Platform revenue is where the Company pushes audience segments to DSP's (Demand Side Platforms) and DMP's (Data Management Platforms) where they are sold. The performance obligation is to deliver the data into the distribution platforms. The distribution platforms sends the Company a usage report. The Company recognizes revenue the month the data was used.

Discontinued operations:

Search, Data & Segments revenue is mainly creating derivative data products and providing mobile device location data. The performance obligation is when the location data or segment is received by the customer's systems. As the data is sent daily the Company does monthly reconciliations and recognizes revenue based on that information.

Digital attribution is analysis provided to customers outlining how effective their mobile and/or desktop campaign is at driving individuals to a specific location. The performance obligation is providing an attribution report. The consideration is divided equally over the number of reports provided and recognized in the month the report is delivered to the customer.

Social targeting and attribution provide customers a segment data to upload to the various social platforms to target specific users with their campaign. Once the campaign is complete (or the following month for long running campaigns) an attribution report is provided. The two performance obligations are providing the segment data and providing the attribution report. The Company recognizes the revenue evenly over these two performance obligations and in the month the information is provided to the customer.

Out-of-home attribution uses location information to determine which mobile devices saw an out-of-home advertising display ("impressions") and provides an attribution report that outlines how effective the campaign is at driving customers to a specific location. As the impression information is unique to the Company the two performance obligations are the tracking of impressions and providing the report, the revenue is evenly recognized over these two performance obligations. The impression related revenue is recognized in the month the impressions are tracked. The reporting revenue is recognized in the month the report is delivered to the customer.

As the customers are billed in the month the campaign ran, contract liabilities are recorded when a customer is invoiced in advance of the performance obligations and funds received or the Company has an unconditional right to consideration.

The Company applies the practical expedient under IFRS 15 and does note capitalize incremental costs of obtaining contracts if the amortization period is one year or less.

(l) Provisions

Provisions are recognized when the following criteria are met:

i) the Company has a current obligation as a result of a past event;

ii) it is probable that an outflow of economic resources will be required from the Company; and

iii) the amounts can be estimated reliably.

The timing or amount of the outflow may still be uncertain.

Provisions are established at the estimated expenditure required to settle the present obligation, based on the most reliable evidence available at the reporting date, including the risks and uncertainties associated with the present obligation.

Provisions are discounted to their present values, where the time value of money is material.

Any reimbursement that the Company can be virtually certain to collect from a third party with respect to the obligation is recognized as a separate asset. However, this asset may not exceed the amount of the related provision. In those cases, where the possible outflow of economic resources as a result of present obligations is considered improbable or remote, no liability is recognized.

All provisions are reviewed at each reporting date and adjusted to reflect the current best estimate.

(m) Property and equipment

Property and equipment are stated at acquisition cost less accumulated depreciation and impairment losses. Depreciation is provided over the estimated useful lives of the assets using the following annual rates and term:

Computer Equipment	3 years	Straight Line
Furniture	5 years	Straight Line
Vehicle	6 years	Straight Line

An item of property and equipment and any significant part initially recognized is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the general and administrative expenses. The asset residual values, useful lives and methods of amortization are reviewed at each reporting period and adjusted prospectively if appropriate.

(n) Impairment testing of property and equipment

Property and equipment are reviewed at each reporting date to determine whether events or changes in circumstances indicate that the carrying amount of the asset or related cash generating unit ("CGU") may not be recoverable. If any such indication exists, then the assets or CGU's recoverable amount is estimated. In respect of other assets, impairment losses recognized in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount (fair value less cost to sell). An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of amortization, if no impairment loss had been recognized.

There have been no impairment losses recognized in any of the periods presented.

(o) Research and development expense

Research and development costs are expensed as incurred unless the criteria for capitalization are met. No research or development costs have been capitalized to date.

(p) Share capital

Share capital represents the amount received for shares that have been issued less transaction costs directly attributable to the issuance of common shares net of any related income tax benefits.

Valuation of equity instruments in private placements
The Company has adopted the residual method with respect to the measurement of common shares and warrants issued as private placement units. Warrants attached to units are valued based on the fair value and the difference between the proceeds raised and the value assigned to the warrants is the fair value of the shares. If and when the warrants are exercised, the applicable amounts of warrants are transferred to share capital. Any consideration paid on the exercise of the warrants is credited to share capital. For those warrants that expire unexercised on maturity, the recorded value is transferred to contributed surplus.

Broker warrants
The Company uses the fair value method based on an option pricing model to determine the fair value of the warrants issued to brokers and records a debit to share capital with a corresponding credit to warrants.

Warrants within equity include warrants outstanding.

(q) Earnings (loss) per share

The Company presents basic and diluted earnings (loss) per share ("EPS") data. Basic EPS is calculated by dividing the comprehensive loss attributable to the shareholders of the Company by the weighted average number of common shares outstanding during the period. Diluted EPS is determined by adjusting the comprehensive loss attributable to shareholders and the weighted average number of shares outstanding, for the effects of all potential dilutive shares. The diluted loss per share is equal to the basic loss per share where the effect of stock options and warrants are antidilutive as it would decrease the loss per share.

(r) Share-based compensation

The Company accounts for share-based compensation arrangements using the fair value method of accounting. When employees are rewarded using share-based payments, the fair value of employees' services is determined indirectly by reference to the fair value of the equity instruments granted. This fair value is measured at the grant date.

The share-based compensation cost is recorded as an expense in net loss and credited to contributed surplus.

If vesting periods or other vesting conditions apply, the expense is allocated over the vesting period, based on the best available estimate of the number of awards expected to vest. Estimates are subsequently revised if there is any indication that the number expected to vest differs from previous estimates. Any cumulative adjustment prior to vesting is recognized in the current period. No adjustment is made to any expense recognized in prior periods if awards ultimately exercised are different to that estimated on vesting. When share options are exercised, any consideration paid is credited to share capital in addition to the amount previously vested and recorded in contributed surplus.

For modifications of price of historical equity instruments granted, the Company includes the incremental fair value of the instrument granted measured at the modification date. If the modification occurs during the vesting period, the incremental fair value is allocated over the vesting period. For modifications that occurred after the vesting date, incremental fair value is recognized immediately.

An award with different vesting dates is considered a separate grant for the calculation of fair value and the resulting fair value is amortized over the vesting period of the respective grants.

The Company’s plan does not feature any options for cash settlement.

(s) Income Taxes

Income tax comprises current and deferred tax. Income tax is recognized in profit or loss except to the extent that it relates to items recognized directly in equity or other comprehensive income, in which case the income tax is also recognized directly in equity or other comprehensive income.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted at the end of the reporting period, and any adjustment to tax payable in respect of previous years. Current tax assets and current tax liabilities are only offset if a legally enforceable right exists to offset the amounts and the Company intends to settle on a net basis, or to realize the asset and settle the liability simultaneously.

Deferred tax is recognized in respect of all qualifying temporary differences arising between the tax basis of assets and liabilities and their carrying amounts in the financial statements. Deferred income tax is determined on a non-discounted basis using tax rates an laws that have been enacted or substantively enacted at the end of the reporting period and are expected to apply when the deferred tax asset or liability is settled.

Deferred tax assets are recognized to the extent that it is probable that the assets can be recovered. Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Deferred tax assets are recognized to the extent future recovery is probable. At each reporting period end, deferred tax assets are reduced to the extent that it is no longer probable that sufficient taxable earnings will be available to allow all or part of the asset to be recovered.

(t) Financial Instruments

IFRS 9 uses a single approach to determine whether a financial asset is classified and measured at amortized cost or at fair value. The classification and measurement of financial assets is based on the Company's business models for managing its financial assets and whether the contractual cash flows represent solely payments of principal and interest ("SPPI"). Financial assets are initially measured at fair value and, where applicable, adjusted for transaction costs. They are subsequently measured at either (i) amortized cost; (ii) fair value through other comprehensive income, or (iii) at fair value through profit or loss.

(i) Amortized cost:
Financial assets classified and measured at amortized cost are those assets that are held within a business model whose objective is to hold financial assets in order to collect contractual cash flows, and the contractual terms of the financial asset give rise to cash flows that are SPPI. Financial assets classified at amortized cost are measured using the effective interest method.

(ii) Fair value through other comprehensive income ("FVTOCI"):
Financial assets classified and measured at FVTOCI are those assets that are held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets, and the contractual terms of the financial asset give rise to cash flows that are SPPI.

This classification includes certain equity instruments where IFRS 9 allows an entity to make an irrevocable election to classify the equity instruments, on an instrument-by-instrument basis, that would otherwise be measured at FVTPL to present subsequent changes in FVTOCI.

(iii) Fair value through profit or loss ("FVTPL"):
Financial assets classified and measured at FVTPL are those assets that do not meet the criteria to be classified at amortized cost or at FVTOCI. This category includes debt instruments whose cash flow characteristics are not SPPI or are not held within a business model whose objective is either to collect contractual cash flows, or to both collect contractual cash flows and sell the financial asset.

Financial liabilities are initially measured at fair value, and, where applicable, adjusted for transaction costs unless the Company designated a financial liability at fair value through profit or loss. Subsequently, financial liabilities are measured at amortized cost using the effective interest method except for derivatives and financial liabilities designated at FVTPL, which are carried subsequently at fair value with gains or losses recognized in profit or loss (other than derivative financial instruments that are designated and effective as hedging instruments).

The financial instruments are measured according to their classification or designation as described below.

Classification

	IFRS 9 Classification
Financial Assets	
Cash and cash equivalents	Financial asset at amortized cost
Trade receivables	Financial asset at amortized cost
Other receivables	Financial asset at amortized cost
Financial Liabilities	
Trade and other liabilities	Financial liability at amortized cost
Loan payable	Financial liability at amortized cost

IFRS 9 uses an expected credit loss impairment model. The impairment model is applicable to financial assets measured at amortized cost where any expected future credit losses are provided for, irrespective of whether a loss event has occurred as at the reporting date. For trade receivables, the Company utilized a provision matrix, as permitted under the simplified approach, and has measured the expected credit losses based on lifetime expected credit losses taking into consideration historical credit loss experience and financial factors specific to the debtors and other factors. The carrying amount of trade receivables is reduced for any expected credit loss through the use of an allowance account. Changes in the carrying amount of the allowance account are recognized in the consolidated statements of loss and comprehensive loss. At the point when the Company is satisfied that no recovery of the amount owing is possible, the amount is considered not recoverable and the financial asset is written off.

All income and expenses relating to financial assets that are recognized in profit or loss are presented within general and administrative expenses.

Fair Value Hierarchy

The Company categorizes its financial instruments, measured at fair value in the consolidated statements of financial position, including its financial assets and financial liabilities, into a three-level fair value measurement hierarchy as follows:

Level 1: The fair value is determined directly by reference to unadjusted quoted prices in active markets for identical assets and liabilities.

Level 2: The fair value is estimated using a valuation technique based on observable market data, either directly or indirectly.

Level 3: The fair value is estimated using a valuation technique based on unobservable data.

(u) Segment reporting

Operating segments are reported in a manner consistent with the internal reporting used for the consolidated financial statements. The Company has determined that it only has one operating segment.

(v) Leases

Upon entering a lease arrangement, the Company determines whether the agreement transfers the right to control the use of an identified asset within the context of the agreement, in exchange for regular payments.

The Company leases office space. As permitted under IFRS 16, the Company has elected to not recognize right-of-use assets and lease liabilities for short-term leases that have a lease term of 12 months or less and leases of low-value assets. For these short-term leases, the Company recognizes the lease payments as an expense on a straight-line basis over the lease term.

4. FUTURE CHANGES IN ACCOUNTING POLICY

IAS 1 Presentation of Financial Statements (Amendment)

In January 2020, the International Accounting Standards Board (IASB) issued amendments to IAS 1 which were incorporated into Part I of the CPA Canada Handbook – Accounting by the Accounting Standards Board (AcSB) in April 2020. The amendments clarify the requirements for classifying liabilities as either current or non-current by:

Specifying that the conditions which exist at the end of the reporting period determine if a right to defer settlement of a liability exists;

Clarifying that settlement of a liability refers to the transfer to the counterparty of cash, equity instruments, other assets or services;

Clarifying that classification is unaffected by management's expectation about events after the balance sheet date; and

Clarifying the classification requirements for debt an entity may settle by converting it into equity.

The amendments clarify existing requirements, rather than make changes to the requirements, and so are not expected to have a significant impact on an entity's financial statements. However, the clarifications may result in reclassification of some liabilities from current to non-current or vice-versa, which could impact an entity's loan covenants. Because of this impact, the IASB has provided a longer effective date to allow entities to prepare for these amendments.

In July 2020, the IASB issued an amendment to defer the effective date of the amendments by one year from its originally planned effective date to annual periods beginning on or after January 1, 2023 due to the impact of the COVID-19 pandemic. Early application is permitted. The AcSB endorsed the IASB's amendment to defer the effective date in October 2020.

(in Canadian Dollars)

IAS 37 Provisions, Contingent Liabilities and Contingent Assets (Amendment)

In May 2020, the International Accounting Standards Board (IASB) issued amendments to update IAS 37 Provisions, Contingent Liabilities and Contingent Assets. The Accounting Standards Board (AcSB) completed its endorsement process and incorporated the amendments into Part I of the CPA Canada Handbook – Accounting in September 2020.

The amendments specify that in assessing whether a contract is onerous under IAS 37, the cost of fulfilling a contract includes both the incremental costs and an allocation of costs that relate directly to contract activities. The amendments also include examples of costs that do, and do not, relate directly to a contract.

These amendments are effective for annual periods beginning on or after January 1, 2022. Earlier application is permitted. There were no impacts on the adoption to the Company's consolidated financial statements.

5. CASH AND CASH EQUIVALENTS

On June 1, 2020, the Company purchased a $370,000 redeemable guaranteed investment certificate ("GIC") with a maturity date of June 1, 2021 and an interest rate of 0.7%. As of December 31, 2021 the balance of the GIC was $nil (December 31, 2020 - $370,000).

On October 28, 2020, the Company purchased a $1,000,000 redeemable guaranteed investment certificate ("GIC") with a maturity date of Oct 28, 2021 and an interest rate of 0.45%. As of December 31, 2021 the balance of the GIC was $nil (December 31, 2020 - $1,000,000).

On March 11, 2021, the Company purchased a $3,300,000 redeemable guaranteed investment certificate ("GIC") with a maturity date of March 11, 2022 and an interest rate of 0.35%. As of December 31, 2021 the balance of the GIC was $240,000 (December 31, 2020 - $nil).

6. TRADE AND OTHER RECEIVABLES

The amounts recognized in the consolidated statements of financial position relating to trade and other receivables are determined as follows:

	As at December 31, 2021	As at December 31, 2020
Input tax receivable	**$ 43,018**	$ 23,661
Government receivables	**-**	62,632
Trade accounts receivable, gross[1]	**315,634**	305,647
Allowance for credit losses	**(6,787)**	(9,541)
	$ 351,865	$ 382,399

[1]The trade amount receivable, gross includes the $10,034 recievable due from PlaceIQ.

Trade receivables and other receivables consists of billings for revenue earned.

(in Canadian Dollars)

The changes in the expected credit loss are as follows:

		As at December 31, 2021		As at December 31, 2020
Opening allowance for expected credit losses	**$**	**9,541**	$	35,163
Provision for expected credit losses		**(2,754)**		128,833
Less: Trade receivables written off		**-**		(154,455)
Closing balance for expected credit losses	**$**	**6,787**	$	9,541

All amounts are short-term. The net carrying value of trade receivables is considered a reasonable approximation of fair value.

7. PROPERTY AND EQUIPMENT

		Computer Equipment		Furniture		Vehicle		Total
Cost:								
As December 31, 2019	$	77,080	$	9,592	$	40,053	$	126,725
Additions		6,666		-		-		6,666
Disposals		(1,446)		(9,592)		-		(11,038)
At December 31, 2020	$	82,300	$	-	$	40,053	$	122,353
Additions		25,673		-		-		25,673
Disposals		-		-		-		-
At December 31, 2021	**$**	**107,973**	**$**	**-**	**$**	**40,053**	**$**	**148,026**
Accumulated depreciation:								
As December 31, 2019	$	46,672	$	5,184	$	1,112	$	52,968
Depreciation		18,262		1,439		6,676		26,377
Disposals		(1,125)		(6,623)		-		(7,748)
As December 31, 2020	$	63,809	$	-	$	7,788	$	71,597
Depreciation	$	17,109	$	-	$	6,676	$	23,785
Disposals		-	$	-		-		-
At December 31, 2021	**$**	**80,918**	**$**	**-**	**$**	**14,464**	**$**	**95,382**
Carrying amounts:								
At December 31, 2020	$	18,491	$	-	$	32,265	$	50,756
At December 31, 2021	**$**	**27,055**	**$**	**-**	**$**	**25,589**	**$**	**52,644**

8. TRADE AND OTHER LIABILITIES

		As at December 31, 2021		As at December 31, 2020
Trade payables	**$**	**903,467**	$	570,964
Accrued liabilities		**554,244**		277,580
Total trade and other liabilities	**$**	**1,457,711**	$	848,544

(in Canadian Dollars)

9. LOAN PAYABLE

On October 16, 2019, the Company entered into a credit agreement with a Canadian chartered bank for a vehicle in the amount of $45,238 with payments due in equal installments until the maturity date of October 27, 2025 at which time the loan will be paid in full. The credit agreement bears an interest rate of 5.89% and the term of the loan is 72 months. The loan is secured by the vehicle which has a net book value of $25,589 as of December 31, 2021 (December 31, 2020 - $32,625). Total interest of $2,026 was paid for the year ended December 31, 2021 (December 31, 2020 - $2,428). The total loan payable outstanding at December 31, 2021 is $30,702 of which $7,357 (December 31, 2020 - $6,942) is included in current liabilities.

On July 7, 2020, and November 17, 2020 the Company entered into a credit agreement with an insurance company in the amount of $27,778 and $16,418 respectively with payments due in equal installments until the maturity date of April 7, 2021 at which time the loan will be paid in full. The credit agreement bears an interest rate of 3.00% and the term is 10 months. Total interest of $621 was paid for the year ended December 31, 2021 (December 31, 2020 - $571). The total loan payable outstanding at December 31, 2021 is $nil (December 31, 2020 - $19,467).

On July 9, 2021, the Company entered into a credit agreement with an insurance company in the amount of $33,333 with payments due in equal installments until the maturity date of April 7, 2022 at which time the loan will be paid in full. The credit agreement bears an interest rate of 3.00% and the term is 10 months. Total interest of $600 was paid for the year ended December 31, 2021 (December 31, 2020 - $nil). The total loan payable outstanding at December 31, 2021 is $11,067 (December 31, 2020 - $nil) all of which is included in current liabilities.

The loans are summarized as follows:

			For the year ended 2021					
	Opening Balance		Payments				Closing Balance	
			Principal		Interest			
Vehicle loan	$	37,644	$	6,942	$	2,026	$	30,702
Insurance loan 1	$	19,467	$	19,467	$	621	$	-
Insurance loan 2	$	27,666	$	16,600	$	600	$	11,066

(in Canadian Dollars)

10. RELATED PARTY & KEY MANAGEMENT COMPENSATION

Compensation for key management personnel, including the Company's officers and directors, was as follows for the year:

		2021		2020
Salaries, benefits and contractors	**$**	**379,937**	$	710,694
Stock based compensation		**16,935**		43,314
Board fees and related stock based compensation		**23,702**		36,575
Total key management compensation	**$**	**420,574**	$	790,583

11. SHARE CAPITAL

On April 1, 2021, the Company consolidated all the issued and outstanding common shares on a five for one basis. No fractional shares were issued, therefore each fractional share then remaining after the consolidation was cancelled. All shares, warrants, options, per share figures and references in the consolidated financial statements have been retroactively adjusted to reflect the share consolidation (Note 1).

Authorized:
Unlimited number of common shares, no par value. There are no rights, preferences or restrictions attached to that class.

Issued and outstanding:

	Number of Shares		Balance
Balance as of January 1, 2020	43,304,343	$	21,014,079
Issuance pursuant to private placement May 18, 2020[1]	8,400,000		805,254
Issuance pursuant to the exercise of stock options	100,000		92,804
Issuance pursuant to the exercise of warrants	8,400,000		2,315,011
Balance as of December 31, 2020	60,204,343	$	24,227,148
Issuance pursuant to private placement March 10, 2021[2]	**7,054,818**		**2,992,159**
Issuance pursuant to the exercise of stock options	**118,733**		**48,617**
Balance as of December 31, 2021[3]	**67,377,894**	**$**	**27,267,924**

[1] Transaction costs include legal expenses of $29,738, all of which was allocated to share capital.

[2] On March 10, 2021, the Company closed a non-brokered private placement of 7,054,818 units of the Company (each, a "unit" and, collectively, the "Units") for aggregate gross proceeds of $4,585,632. $1,551,060 of the aggregate gross proceeds are allocated to warrants. Each Unit was sold for $0.65 and was comprised of one common share and one common share purchase warrant. Transaction costs include allocated legal expenses of $42,413.

[3] The total amount of shares outstanding includes 12,021,410 shares held in escrow.

(in Canadian Dollars)

Warrants issued and outstanding:

The following table presents information regarding warrants issued by the Company:

	2021		2020	
	Number of Share Warrants	**Weighted average exercise price**	Number of Share Warrants	Weighted average exercise price
Balance as at January 1	**1,896,620**	**$1.40**	4,838,295	$1.46
Exercise of warrants	**-**	**0.00**	(8,400,000)	0.25
Issuance of warrants	**7,054,818**	**1.05**	8,400,000	0.25
Expiry of warrants	**(1,896,620)**	**1.40**	(2,941,675)	1.50
Balance as at December 31	**7,054,818**	**1.05**	1,896,620	1.40

The following table presents information related to warrants outstanding as at December 31, 2021:

	Number of Share Warrants	**Weighted average exercise price**	**Expiry date**
Issuance pursuant to private placement March 10, 2021[1]	7,054,818	$1.05	March 10, 2023

[1]Transaction costs include allocated legal costs of $21,679. The warrants expire after two years, however, the Company has the right to accelerate exercise If the share has traded at a price greater than or equal to $1.50 for 20 consecutive days on any Canadian market, following which the warrants will expire if not exercised within 30 days.

The below inputs and assumptions were used in the fair value determination of the warrants:

	March 10, 2021	May 18, 2020
Weighted average share price	**$0.130**	$0.025
Volatility	**100%**	100%
Risk free interest rate	**0.22%**	0.32%
Dividend yield	**-**	-
Barrier	**$0.300**	$0.080
Rebate	**$0.090**	$0.030

(in Canadian Dollars)

12. STOCK OPTION PLAN

The stock option plan is applicable to employees and directors of the Company. The options are granted at the Company's current fair market value of the common shares under terms and conditions determined by the Board. Under the terms of the plan, the options generally vest proportionately over a three-year period and expire five years from the date of the grant. There were 849,000 options issued during the year ended December 31, 2021 (December 31, 2020 – 747,800) to employees and contractors. The fair value of compensation expense related to options issued to employees and contractors for the year ended December 31, 2021 is $97,466 (December 31, 2020 - $90,664). On May 25, 2020, the Company repriced a total of 701,954 options to a new exercise price of $0.25. On August 27, 2020, the Company repriced a total of 70,000 options to a new exercise price of $0.35. On November 6, 2020, the Company repriced a total of 50,000 options to a new exercise price of $0.25. The impact of the repricing in 2020 increased the fair value of previously granted stock options by $34,284. An additional increase in fair value of $6,858 for previously granted stock options will be recognized over the remaining vesting term. The Company may issue up to 10% of common shares outstanding as options under its stock option plan.

December 31, 2021

	Number of Options	**Weighted average exercise price**
Outstanding, January 1, 2021	**1,806,952**	**$0.35**
Granted	**849,000**	**0.47**
Exercised	**(118,733)**	**0.46**
Forfeited	**(1,037,332)**	**0.21**
Outstanding, December 31, 2021	**1,499,887**	**$0.33**

December 31, 2020

	Number of Options	Weighted average exercise price
Outstanding, January 1, 2020	1,563,970	$0.65
Granted	937,800	0.40
Exercised	(100,000)	0.25
Forfeited	(594,818)	0.65
Outstanding, December 31, 2020	1,806,952	$0.35

The Company uses the Black-Scholes method to calculate option values, the below assumptions were used for all options issue:

	2021	2020
Weighted average share price	**$0.33**	$0.08
Expected life, in years	**1-5**	1-5
Volatility	**100%**	100%
Risk free interest rate	**0.16 - 1.07%**	0.2% - 1.44%
Anticipated forfeiture	**55% - 62%**	0% - 48%
Dividend yield	**-**	-

The maximum term of the options is 5 years. The share price is the fair value of the shares based on the market share price the day of the grant. The volatility is based on comparable public companies within comparable industries.

(in Canadian Dollars)

The following table summarizes information about stock options as at December 31, 2021:

Options Outstanding			**Options Exercisable**
Exercise prices	**Number outstanding**	**Weighted average remaining contractual life (years)**	**Number exercisable**
$0.25	**451,554**	**1.33**	**449,554**
0.29	**125,000**	**4,65**	**-**
0.34	**173,000**	**5.90**	**-**
0.35	**506,333**	**3.58**	**272,001**
0.41	**68,000**	**4.40**	**-**
0.625	**40,000**	**3.92**	**13,333**
0.65	**136,000**	**4.12**	**33,334**
$0.25-$1.00	**1,499,887**	**2.97**	**768,222**

The following table summarizes information about stock options as at December 31, 2020:

Options Outstanding			Options Exercisable
Exercise prices	Number outstanding	Weighted average remaining contractual life (years)	Number exercisable
$0.25	957,552	2.48	760,354
0.35	639,400	4.59	102,667
0.625	40,000	4.92	-
0.65	50,000	4.92	16,667
0.775	100,000	4.92	33,333
1.00	20,000	3.91	20,000
$0.25-$1.00	1,806,952	3.50	933,021

13. COMMITMENTS

The Company has non-cancellable contracts for cost of services and contractors, the commitments are as follows:

	As at December 31, 2021
Less than one year	**$ 579,240**
Between one and five years	**-**

During the year ended December 31, 2021, $882,121 (2020 - $674,980) was expensed to general and administration and cost of services.

(in Canadian Dollars)

14. REVENUE

The Company currently generates revenue though two revenue streams: identity and platform. Identity revenue is generated by selling derivative data products and mobile device data. Platform revenue is generated by selling audience segments to data platforms. The following chart shows the breakdown of revenue earned in the various channels the years ended December 31, 2021 and 2020.

		2021		2020
Revenue from continued operations:				
Identity	$	**330,603**	$	102,111
Platform		**669,597**		75,732
Total revenue from continued operations:		**1,000,200**		177,843
Total revenue from discontinued operations:		-		1,234,712
Total revenue	$	**1,000,200**	$	1,412,555

The Company's revenue broken down by geographical location:

		2021		2020
Revenue from continued operations:				
US	$	**999,912**	$	177,843
Canada		**288**		-
Total revenue from continued operations:		**1,000,200**		177,843
Revenue from discontinued operations:				
US		-		1,201,017
Canada		-		33,695
Total Revenue from discontinued operations:		-		1,234,712
Total revenue	$	**1,000,200**	$	1,412,555

Major trade receivables

Trade receivables with specific customers, each with 10% or more of total Company trade receivables are summarized as follows:

		December 31, 2021		December 31, 2020
Customer 1	$	**132,513**	$	62,748
Customer 2		**65,846**		-
Customer 3		-		39,062
Total revenue from major customers	$	**198,359**	$	101,810

(in Canadian Dollars)

15. COST OF SERVICES

Cost of services for continuing operations are broken down as follows:

	2021	2020
Data Engineering		
Salaries	**$ 311,468**	$ 68,801
Hosting fees	**890,161**	235,211
Total data engineering costs	**$ 1,201,629**	$ 304,012
Management Platforms	**238,046**	87,839
	$ 1,439,675	$ 391,851

16. EXPENSE BREAKDOWN

The expense breakdown by nature are as follows:

	2021	2020
Salaries, benefits, commissions, contractors and recruititing	**$ 3,023,309**	$ 2,583,147
Professional fees	**1,021,127**	712,974
Establishments, office and personnel	**170,523**	239,246
Cloud hosting, licenses, dues and subscriptions	**253,086**	265,779
User acqusition, advertising and retention	**1,334,322**	360,043
Travel, meals and entertainment	**141,484**	13,578
Other	**93,718**	224,718
Foreign exchange gains/losses	**14,086**	(46,769)
	$ 6,051,655	$ 4,352,716

17. CASH FLOW INFORMATION

Net change in non-cash working capital items are comprised of:

	2021	2020
Trade and other receivables	**$ 30,534**	$ 1,012,540
Prepaid expenses	**(18,249)**	(77,222)
Investment tax credit recoverable	**-**	120,642
Trade and other liabilities	**609,167**	(626,668)
Contract liabilities	**-**	(18,028)
	$ 621,452	$ 411,264

Non-cash investing activities are as follows:

Consideration for disposal of business included in trade and other receivables of $157,151 (December 31, 2020 – $158,878).

18. FINANCIAL INSTRUMENTS, RISKS AND CAPITAL MANAGEMENT

The Company has exposure to counterparty credit risk, liquidity risk and market risk associated with its financial assets and liabilities. The Company's risk management program seeks to minimize potential adverse effects on the Company's financial performance and ultimately shareholder value. The Company manages its risks and risk exposures through a combination of insurance, a system of internal controls and sound business practices.

The Company's financial instruments and the nature of the risks which they may be subject to are set out in the following table.

	Risks			
			Market	
	Credit	Liquidity	Foreign Exchange	Interest Rate
Cash and cash equivalents	Yes		Yes	
Trade receivables	Yes		Yes	
Other receivables	Yes		Yes	
Trade and other liabilities		Yes	Yes	
Loan Payable		Yes		Yes

The carrying values of cash and cash equivalents, trade receivables, other receivables, trade and other liabilities and short term loan payable approximate their fair values due to their relatively short periods to maturity.

Credit risk

Credit risk arises from cash held with banks and trade receivables and these financial assets are subject to the expected credit loss model. The maximum exposure to credit risk is equal to the carrying value of the financial assets. The objective of managing counterparty credit risk is to prevent losses on financial assets. The Company minimizes the credit risk of cash by depositing with only reputable financial institutions and minimizes the credit risk of trade receivables by monitoring the counterparty's creditworthiness and setting exposure limits.

Trade accounts receivables

The Company applies the IFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables. To measure the expected credit losses, trade receivables have been grouped based on shared credit risk characteristics and the days past the transaction date. The expected loss rates are based on the payment profiles of sale over a period of 24 months before December 31, 2021. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables. The Company has identified the credit worthiness for current and future customers and the GDP and unemployment rate of the countries in which the Company sells goods into to be the most relevant factors, and accordingly adjusts the historical loss rates based on expected changes in these factors.

(in Canadian Dollars)

Trade receivables (Note 6) are the result of billings of services performed. The Company's credit risk arises from the possibility that a counterparty which owes the Company money is unable or unwilling to meet its obligations in accordance with the terms and conditions in the contracts with the Company, which would result in a financial loss for the Company.

The carrying amount of trade receivables are reduced through the use of an allowance for credit loss and the amount is recognized in the consolidated statements of loss and comprehensive loss in general and administrative expenses. The Company closely monitors all receivable balances, when a balance is over 180 days past the transaction date the Company evaluates whether this balance is uncollectible. It is determined to be uncollectible when the customer has ceased communications for greater than 90 days or has communicated non-payment due to liquidity issues and the Company does not believe other recourses would be financially beneficial and there is no reasonable expectation of recovery. When a receivable balance is considered uncollectible, it is written off against the allowance for credit loss. Subsequent recoveries of amounts previously written off reduce general and administrative expenses in the consolidated statements of loss and comprehensive loss. As of December 31, 2021, it was determined that an allowance for credit loss of $6,856 (2020 – $9,541) was required and wrote off uncollectible balances of $nil (2020 – $154,455).

Interest rate risk

The Company is exposed to interest rate risk though the impact of rate changes on interest bearing liabilities. The exposures are managed partly by using natural hedges from fixed rate borrowings.

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company manages liquidity risk by continuously monitoring forecasts and actual cash flows and taking the necessary actions to maintain enough liquidity for operations and for growth objectives.

The Company has considered the future impact of COVID-19 on the timing and collections of trade receivables. The Company will continually reassess the scope, duration, and impact on our customers to determine COVID-19's impact on liquidity and credit risk.

The following table details the Company's contractual maturities (including interest payments where applicable) for its financial liabilities as at December 31, 2021 and December 31, 2020:

	Not later than one month	Later than one month and not later than three months	Later than three months and not later than one year	Later than one year and not later than five years	Total
As at December 31, 2021					
Trade and other liabilities	**$ 1,457,711**	**-**	**-**	**-**	**$1,457,711**
Loan Payable	**3,614**	**7,228**	**18,193**	**25,411**	**54,446**
	$ 1,461,325	**$ 7,228**	**$ 18,193**	**$ 25,411**	**$1,512,157**
As at December 31, 2020					
Trade and other liabilities	$ 848,544	-	-	-	$ 848,544
Loan Payable	5,769	11,539	11,748	34,379	63,435
	$ 854,313	$ 11,539	$ 11,748	$ 34,379	$ 911,979

Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates will affect the fair value of a financial instrument or its future cash flows.

The Company operates internationally with a subsidiary in the United States. The Company is, therefore, subject to foreign currency risk. The Company reports its financial results in Canadian dollars. Most of the Company's revenues are transacted in U.S. currency. The Company incurs expenses in both Canadian and U.S. dollars. To date, the Company has not used foreign currency forward contracts or other hedging strategies to manage its foreign currency exposure.

As at December 31, 2021, the Canadian entities US-dollar net monetary assets totaled approximately US -$279,931 (CAD -$354,897) (December 31, 2020, net monetary assets – US $254,593 (CAD $326,083)) and the Company's United States subsidiaries US-dollar monetary net liabilities totaled approximately US -$4,806 (CAD -$6,093) (2020 – US $11,384 (CAD $14,581)). A 10% strengthening in the Canadian dollar against the United States dollar as at December 31, 2021 would have increased comprehensive loss and decreased shareholder's equity by $34,880 (2020 - $32,608). A 10% weakening would have had the equal but opposite effect. This analysis assumes that all other variables remain constant.

Capital management

The Company's objective in managing capital is to ensure a sufficient liquidity position to safeguard the Company's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders. The Company defines capital as equity and debt, comprised of issued common shares, warrants, contributed surplus and accumulated deficit, as well as loans payable. The Company seeks to ensure that it has sufficient cash resources to maintain its ongoing operations and finance its research and development activities, corporate and administration expenses, working capital and overall capital expenditures. Since inception, the Company has primarily financed its liquidity needs through private and public placements of common shares, and loans. The Company's objectives when managing capital are to ensure that the Company will continue to have enough liquidity to fund operations and proceed with rapid product development that will support the evolving data driven industries. Management reviews its capital management practices on an ongoing basis and believes that their approach, given the relative size of the Company, is reasonable.

19. DISCONTINUED OPERATIONS

On May 29, 2020, the Company finalized a definitive asset purchase agreement with PlaceIQ, Inc. ("PlaceIQ") for the sale of certain assets of the Company's offline attribution and data business for cash consideration of up to $4,000,000. The total potential consideration of up to $4,000,000 is the sum of the potential revenue share and revenue milestone amounts disclosed below.

The Company is entitled to a revenue share amount, calculated each calendar quarter, terminating April 1, 2022 based on revenue earned by the purchaser from the purchased business. The Company is further entitled to revenue milestone amounts if certain aggregate revenue amounts are earned.

(in Canadian Dollars)

The Company has determined that no amount of variable consideration can be made reliably as management does not believe that it is highly probable that a revenue reversal would not occur. As such, the Company has recognized revenue on the sale based on actual revenue share amount earned, net of transaction costs. The Company has recognized the following:

	2021	2020
Gain/(loss) on sale	**$ 157,151**	$ 233,467
Transaction costs	-	165,486

The comparative results of the discontinued operations included in net loss for the year were as follows:

	2021	2020
Revenue	$ -	$ 1,234,712
Cost of services	-	440,484
Gross margin	-	794,228
Expenses		
General and administrative	-	107,556
Research and development	-	347,173
Selling and business development	-	666,134
	-	1,120,863
(Loss) income from discontinued operations	$ -	$ (326,635)

The following table presents the effect of the discontinued operations on the consolidated statement of cashflows:

	2021	2020
Cash (used in) provided by operating activities	$ -	$ 289,041
Cash provided by financing activities	-	-
Cash provided by investing activities	-	-
Net cash outflow	$ -	$ 289,041

There is no current tax expense with respect to the discontinued operations for the year ended December 31, 2021 (2020 - $Nil)

(in Canadian Dollars)

20. INCOME TAXES

The reconciliation of the combined Canadian federal and provincial statutory income tax rate of 26.5% (2020 - 26.5%) to the effective tax rate is as follows:

	As at December 31, 2021	As at December 31, 2020
Income before tax from discontinued operations	**$ -**	$ (326,635)
Income before tax from continuing operations	**(6,323,322)**	(4,328,139)
Net Income (Loss) before recovery of income taxes	**(6,323,322)**	(4,654,774)
Expected income tax (recovery) expense	**(1,675,680)**	(1,233,515)
Difference in tax rate of subsidiary	**2,900**	385
Non-deductible expenses	**35,620**	53,184
Change in tax benefits not recognized	**1,637,160**	1,179,946
Income tax (recovery)	**$ -**	$ -

Deferred Tax

The following table summarizes the components of deferred tax:

	As at December 31, 2021	As at December 31, 2020
Deferred tax asset		
Operating tax losses carried forward	**$ 6,680**	$ 4,735
Subtotal of assets	**6,680**	4,735
Deferred tax liability		
FX	**(6,680)**	(4,735)
Subtotal of liabilities	**(6,680)**	(4,735)
Net deferred tax liability	**$ -**	$ -

Deferred tax assets and liabilities have been offset where they relate to income taxes levied by the same taxation authority and the Company has the legal right and intent to offset.

Unrecognized deferred tax assets

Deferred taxes are provided as a result of temporary differences that arise due to the differences between the income tax values and the carrying amount of assets and liabilities. Deferred tax assets have not been recognized in respect of the following deductible temporary differences:

	As at December 31, 2021	As at December 31, 2020
Fixed Assets	**$ 555,330**	$ 471,092
Share Issue Costs	**817,690**	1,062,586
Operating tax losses carried forward - Canada	**22,616,280**	20,686,903
Operating tax losses carried forward - U.S.	**4,480,710**	-
Government Incentives	**1,261,080**	1,262,025
Total	**$ 29,731,090**	$ 23,482,606

(in Canadian Dollars)

The Canadian and U.S. operating tax loss carry forwards expire as noted in the table below.

Investment tax credit expire from 2027 - 2029.

The remaining deductible temporary differences may be carried forward indefinitely.

Deferred tax assets have not been recognized in respect of these items because it is not probable that future taxable profit will be available against which the group can utilize the benefits therefrom.

The Company's operating tax losses expire as follows:

	Canada	USA	Total
2035	$ 367,890	$ -	**$ 367,890**
2036	1,048,570	-	**1,048,570**
2037	2,557,840	487,511	**3,045,351**
2038	3,556,940	-	**3,556,940**
2039	5,157,730	-	**5,157,730**
2040	4,394,990	-	**4,394,990**
2041	5,532,310	-	**5,532,310**
Indefinite	-	3,993,199	**3,993,199**
	$ 22,616,270	$ 4,480,710	**$ 27,096,980**

21. SUBSEQUENT EVENT

On February 24, 2022, the Company announced that it completed the issuance of senior secured debentures for aggregate gross proceeds of $1,640,000. The Company has also issued 1,366,666 shares of the Company at a price of $0.24 in connection with the issuance. The debentures mature on February 24, 2025 and pay interest at a rate of 12.0% per annum, payable semi-annually. Beginning on February 24, 2023, the Company will have the right to prepay the debentures in whole or in part.