Consolidated Financial Statements
Killi Ltd. (formerly Freckle Ltd.)
Years ended December 31, 2020 and 2019

(Expressed in Canadian Dollars)

Independent Auditor's Report

To the Shareholders of Killi Ltd. (formerly, Freckle Ltd.):

Opinion

We have audited the consolidated financial statements of Killi Ltd. (formerly, Freckle Ltd.) and its subsidiaries (the "Company"), which comprise the consolidated statements of financial position as at December 31, 2020 and December 31, 2019, and the consolidated statements of loss and comprehensive loss, consolidated 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, 2020 and December 31, 2019, 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, 2020 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 Gordon Wright.

MNP LLP

Ottawa, Ontario
March 24, 2021

Chartered Professional Accountants

Licensed Public Accountants

Killi Ltd. (Formerly Freckle Ltd.)

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

	Note	2020	2019
Assets			
Current Assets			
Cash and cash equivalents		$ 1,519,500	$ 2,364,127
Trade and other receivables	5	382,399	1,236,063
Prepaid expenses		193,238	116,015
Investment tax credit recoverable		-	120,642
Total current assets		$ 2,095,137	3,836,847
Non Current Assets			
Property and equipment, net	6	$ 50,756	$ 73,757
Total assets		$ 2,145,893	$ 3,910,604
Liabilities and Shareholders' Equity			
Current Liabilities			
Trade and other liabilities	7	$ 848,544	$ 1,309,726
Contract liabilities		-	18,028
Current portion of loan payable	8	26,409	6,541
Total current liabilities		874,953	1,334,295
Non-current portion of loan payable	8	$ 30,702	$ 37,644
Total liabilities		$ 905,655	$ 1,371,939
Shareholders' equity			
Share capital	11	$ 24,227,148	$ 21,014,079
Warrants	11	500,552	1,212,669
Contributed surplus		1,163,694	400,439
Cumulative translation adjustment		118,749	26,609
Deficit		(24,769,905)	(20,115,131)
Total Shareholders' equity		$ 1,240,238	$ 2,538,665
Total Shareholders' equity and liabilities		$ 2,145,893	$ 3,910,604
Commitments and Subsequent Event	13, 25		

Approved on behalf of the Board of Directors:

Original signed by	Original signed by
Neil Sweeney, CEO & Founder	Robert Fernicola, Chair of the Audit Committee

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

Killi Ltd. (Formerly Freckle Ltd.)

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

	Note	2020	2019 (As restated - Note 23)
Revenue	14	$ 177,843	$ 27,726
Cost of services	15	391,851	9,570
Gross margin		(214,008)	18,156
Expenses			
General and administrative	16	1,731,139	2,275,519
Research and development	17	1,676,203	1,587,518
Selling and business development	18	490,417	-
Marketing	19	454,957	1,019,250
		4,352,716	4,882,287
Other Expenses			
Listing Costs		-	2,001,116
Other income			
Gain on sale of Freckle business unit	3 (g)	233,467	-
Property and equipment disposal	6	(2,891)	-
Interest income		8,009	-
		238,585	-
Net loss from continuing operations		(4,328,139)	(6,865,247)
Loss from discontinued operations, net of tax	23	(326,635)	(2,189,903)
Net loss		(4,654,774)	(9,055,150)
Other comprehensive gain			
Foreign currency translation differences		92,140	112,790
Total comprehensive loss		$ (4,562,634)	$ (8,942,360)
Net loss per share from continuing operations:			
Basic and diluted	11	$ (0.017)	$ (0.037)
Net loss per share from discontinued operations:			
Basic and diluted	11	$ (0.001)	$ (0.012)
Weighted average number of common shares outstanding			
Basic and diluted		250,422,786	184,440,017

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

Killi Ltd. (Formerly Freckle Ltd.)

Consolidated Statement of Changes in Equity
Years ended
(in Canadian Dollars)

		Number of Common Shares	Share Capital	Warrants	Contributed Surplus	Cumulative translation adjustment	Accumulated Deficit	Total Equity (Deficiency)
Balance as at January 1, 2019		114,629,627	$ 2,124,637	$ 712,117	$ 156,820	$ (86,181)	$ (11,059,981)	$ (8,152,588)
Issuance of share capital related to the private placement	11	7,500,000	1,125,000	375,000	-	-	-	$ 1,500,000
Shares issued on conversion of the subscription receipts	11	25,145,000	5,029,000	-	-	-	-	$ 5,029,000
Issuance of share capital and options as part of the Reverse Takeover	11	24,999,932	5,000,000	-	52,423	-	-	$ 5,052,423
Share issuance costs	11	-	(1,114,028)	(97,120)	-	-	-	$ (1,211,148)
Broker/Finder Warrants	11	-	-	222,672	-	-	-	$ 222,672
Conversion on related party loan	11	44,247,350	8,849,470	-	-	-	-	$ 8,849,470
Share-based compensation	12	-	-	-	191,196	-	-	$ 191,196
Net income and comprehensive loss		-	-	-	-	112,790	(9,055,150)	$ (8,942,360)
Balance as at December 31, 2019		216,521,909	21,014,079	1,212,669	400,439	26,609	(20,115,131)	$ 2,538,665
Balance as at January 1, 2020		216,521,909	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	42,000,000	823,289	226,711	-	-	-	$ 1,050,000
Exercise of Stock Options	11, 12	500,000	92,804	-	(67,804)	-	-	$ 25,000
Exercise of warrants	11	42,000,000	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		301,021,909	24,227,148	500,552	1,163,694	118,749	(24,769,905)	$ 1,240,238

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

Killi Ltd. (Formerly Freckle Ltd.)

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

	Note	2020	2019 (As restated - Note 23)
Operating activities			
Net loss from continuing operations		$ (4,328,139)	$ (6,865,247)
Net loss from discontinued operations	23	(326,635)	(2,189,903)
Adjustments to net loss:			
Amortization of property and equipment		26,377	19,632
Loss on sale of property and equipment	6	2,891	-
Gain on sale of disposed business		(233,467)	-
Listing costs		-	2,001,116
Interest, net		4,801	(13,900)
Share based compensation	12	118,943	191,196
Net change in non-cash operating working capital	21	411,264	(233,476)
Net cash flows used in operating activities		(4,323,965)	(7,090,582)
Financing activities			
Issuance of related party demand loans		-	624,087
Issuance of units, net issuance costs		1,020,265	5,251,162
Proceeds on exercise of stock options		25,000	-
Issuance of warrants, net issuance costs		-	290,669
Proceeds on exercise of warrants		2,100,000	-
Proceeds from issuance of debt		44,196	45,238
Interest income received related to financing		-	14,342
Repayment of debt		(31,269)	(1,053)
Interest paid		(4,801)	(442)
Cash flows from financing activities		3,153,391	6,224,003
Investing activities			
Proceeds on disposal of business		240,073	-
Net cash acquired in reverse takeover		-	3,050,000
Purchase of property and equipment		(6,666)	(59,203)
Proceeds from sale of property and equipment	6	400	-
Cash flows from (used in) investing activities		233,807	2,990,797
Effect of foreign exchange on cash and cash equivalents		92,140	108,778
Net (Decrease)/Increase in cash and cash equivalents		(844,627)	2,232,996
Cash and cash equivalents, beginning of year		2,364,127	131,131
Cash and cash equivalents, end of year		$ 1,519,500	$ 2,364,127

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

1. CORPORATE INFORMATION

Killi Ltd. ("Killi", the "Company"), a privacy-compliant identity ecosystem, available both online and as a mobile application on iOS and Android in the United States, Canada, Australia, Singapore and New Zealand that allows consumers control and visibility regarding how their data is collected and compensating them for its use, while also providing advertisers and brands a compliant data source.

The address of the Company's corporate office is 5th floor - 100 University Ave, Toronto, Ontario, M5J 1V6.

Killi, formerly Freckle Ltd., was incorporated on January 14, 1997 pursuant to the ABCA as 723765 Alberta Ltd. On February 5, 1998, the Company filed articles of amendment to change its name to Charger Petroleums Inc. pursuant to a certificate of amendment dated September 16, 1998, the articles of the Company were amended to delete the 'private company' provisions contained therein. On July 23, 1999, the Company changed its name to Charger Energy Inc. Pursuant to a certificate of amendment filed on April 11, 2003, the Company changed its name to Arapahoe Energy Corporation and consolidated its outstanding common shares at a 10:1 ratio. On February 6, 2004, the Company amalgamated with Crazy Horse Energy Inc. and continued under the name Arapahoe Energy Corporation. On January 3, 2008, the Company changed its name to Canadian Phoenix Resources Corp. and on January 7, 2008, its common shares began trading on the TSX Venture Exchange under the symbol "CHP". Effective November 16, 2009, the Company amended its articles of incorporation to consolidate its outstanding common shares on a 25:1 basis and on November 18, 2009 its common shares commenced trading on the TSX Venture Exchange under the new symbol "CXP". On December 14, 2012, pursuant to a certificate of amendment and registration of restated articles, the Company cancelled its common shares, non-voting shares and class A preferred shares and authorized the issue of an unlimited number of Shares and an unlimited number of Preferred Shares. On March 8, 2013, the Company changed its name from Canadian Phoenix Resources Corp. to Knol Resources Corp. and consolidated the number of its issued and outstanding common shares on a 10:1 basis.

On June 14, 2019, the Company completed a reverse takeover transaction, pursuant to which Freckle I.O.T. Ltd. amalgamated with a wholly owned subsidiary of the Company and was subsequently renamed Freckle Ltd. and continued as a corporation under the Ontario Business Corporation Act.

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 for cash consideration of up to US$4,000,000 (see Note 23).

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".

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, 2020, the Company incurred a comprehensive loss of $4,562,634 (2019 - $8,942,360) and negative cash flows from operations of $4,323,965 (2019 – negative $7,090,582). In addition, the Company has an accumulated deficit of $24,769,905 (December 31, 2019 - $20,115,131).

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.

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.

3. SIGNIFICANT ACCOUNTING POLICIES

The following accounting policies have been used throughout all periods presented in the audited 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, 2020.

On March 24, 2021, the Company's Board of Directors approved these audited consolidated financial statements and authorize them for issue.

(b) Basis of measurement

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 set out in Note 3(v).

(c) Basis of consolidation

The consolidated financial statements include the accounts of Killi Ltd. and its subsidiaries. The chart below summarizes the entities included in the consolidated financial statements as at December 31, 2020 and 2019.

Entity Name	Place of Incorporation	Ownership	Functional Currency
Killi Ltd (formerly Freckle Ltd)	Ontario	Parent	Canadian dollars
Killi Inc (formerly Freckle I.O.T. Ltd)	Ontario, Canada	Wholly owned subsidiary of Killi Ltd	Canadian dollars
Killi Holdings Ltd (formerly Killi Inc)	Ontario, Canada	Wholly owned subsidiary of Killi Inc	Canadian dollars
Killi USA Inc (formerly Freckle I.O.T. USA Inc)	Delaware, USA	Wholly owned subsidiary of Killi 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 earnings. 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 Killi 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) Change in accounting policy

Effective January 1, 2020 the IASB implemented amendments to IAS 1, Presentation of Financial Statements and IAS 8, Accounting Policies, Changes in Accounting Estimates and Errors. The amendments clarified the definition of "material" and aligned the definition used in the Conceptual Framework and the standards themselves. The information provided in the Company's consolidated financial statements is compliant with the issued amendments to IAS 1 Presentation of Financial Statements and IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors. There were no impacts on adoption to the Company's consolidated financial statements.

(f) Critical accounting estimates and judgements

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 relative fair value 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 judgement 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 22.

<u>Judgments</u>

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 judgements 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 judgement 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 judgement 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, the Company disposed of its offline attribution and data business (Note 23). 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 balance sheet 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 judgement 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.

(g) Discontinued operations/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 co-ordinated 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.

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 statement 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. As discussed in Note 3(f), management has made the judgment 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 to date has recognized revenue on the sale based on the actual revenue share amount earned to the end of December 31, 2020.

(h) 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 and received $447,773 for the Canadian Emergency Wage Subsidy (“CEWS’”) and $10,708 for the Canadian Emergency Rent Subsidy (“CERS”). These amounts have been netted against departmental expenses in the consolidated statement of loss and comprehensive loss. The Canadian government announced its intention to extend the wage subsidy though to June 2021.

The Company will continue to monitor changes to CEWS, CERS and other COVID-19 related grants and subsidies that may be available.

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 (see Note 4).

(i) 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.

(j) 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, 2020 the Company had refundable tax credits of $Nil (2019 - $120,642) that were recorded.

During the year ended December 31, 2020, the Company received payments of $114,679 (2019 - $179,320) 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 (Note 17).

(k) 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.

(l) 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.

(m) 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.

(n) Property and equipment

Property and equipment are stated at acquisition cost less accumulated amortization and impairment losses. Amortization 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.

(o) 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. 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.

(p) 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.

(q) 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 a 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 residual fair value of the shares. The proceeds from the issue of units are allocated between share capital and warrants, net of share issuance costs, which are allocated pro-rata based on the relative fair value of the warrants and shares issued as part of the unit. 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 issue costs with a corresponding credit to warrants.

Warrants within equity include warrants outstanding.

(r) 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.

(s) 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.

(t) Taxes

Tax expense recognized in profit or loss comprises the sum of current and deferred taxes not recognized in other comprehensive loss or directly in equity.

(u) Current tax

Current tax assets and/or liabilities comprise those claims from, or obligations to, fiscal authorities relating to the current or prior reporting periods that are unpaid at the reporting date. Current tax is payable on taxable profit, which differs from profit or loss in the consolidated financial statements. Calculation of current tax is based on tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period.

(ii) Deferred tax

Deferred taxes are calculated using the liability method on temporary differences between the carrying amounts of assets and liabilities and their tax bases. Deferred tax assets and liabilities are calculated, without discounting, at tax rates that are expected to apply to their respective period of realization, provided they are enacted or substantively enacted by the end of the reporting period. Deferred tax liabilities are always provided for in full.

Deferred tax assets are recognized to the extent that it is probable that they will be able to be utilized against future taxable income. Deferred tax assets and liabilities are offset only when the Company has a right and intention to offset current tax assets and liabilities from the same taxation authority.

Changes in deferred tax assets or liabilities are recognized as a component of tax income or expense in profit or loss, except where they relate to items that are recognized in other comprehensive loss or directly in equity, in which case the related deferred tax is also recognized in other comprehensive loss or equity, respectively. See Note 24 for deferred tax assets which are not currently recognized in the consolidated financial statements.

(v) 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. 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 statement of 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 statement 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.

(w) 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.

(x) 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. The Company also elected to apply the practical expedient to grandfather the assessment of which transactions are leases on the date of initial application, as previously assessed under IAS 17 and IFRIC 4. The Company has applied the definition of a lease under IFRS 16 to contracts entered into or changed from January 1, 2019.

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;

(in Canadian Dollars)

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.

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.

5. TRADE AND OTHER RECEIVABLES

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

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

	As at December 31, 2020	As at December 31, 2019
Input tax receivable	**$ 23,661**	$ 94,386
Other receivables	**62,632**	86,226
Trade accounts receivable, gross[1]	**305,647**	1,090,614
Allowance for credit losses	**(9,541)**	(35,163)
	$ 382,399	$ 1,236,063

(in Canadian Dollars)

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

The changes in trade accounts receivable, gross are as follows:

	As at December 31, 2020	As at December 31, 2019
Opening trade receivables, gross	**$ 1,090,614**	$ 833,163
Due from PlaceIQ	**158,878**	-
Progress billings	**1,412,555**	3,476,363
Less: Amounts collected during the year on receivables outstanding at Janaury 1	**843,660**	820,002
Less: Amounts collected during the year	**1,667,195**	2,376,399
Less: Amounts recovered (written off) as uncollectible	**(154,455)**	22,511
Closing trade receivables, gross	**$ 305,647**	$ 1,090,614

The allowance for credit losses has been determined as per the below table:

Estimated credit loss on trade receivables

December 31, 2019	**Amounts receivable past transaction date**						
	<30 days	**31-60**	**61-90**	**91-180**	**181-360**	**>360 days**	**Total**
Expected credit loss %	0.45%	0.58%	0.87%	7%	59%	100%	
Gross carrying amount	$ 313,268	$ 317,024	$ 186,975	$ 257,203	$ 9,489	$ 6,655	$ 1,090,614
Expected credit loss	**1,423**	**1,829**	**1,621**	**18,028**	**5,607**	**6,655**	**$ 35,163**

December 31, 2020	**Amounts receivable past transaction date**						
	<30 days	**31-60**	**61-90**	**91-180**	**181-360**	**>360 days**	**Total**
Expected credit loss %	2.09%	2.48%	3.26%	14%	77%	100%	
Gross carrying amount	$ 109,065	$ 18,985	$ 10,953	$ -	$ 8,286	$ 45	$ 147,334
Expected credit loss	**$ 2,279**	**471**	**357**	**-**	**6,389**	**45**	**$ 9,541**

The gross carrying amount the Company uses to calculate estimated credit losses does not include the receivable from PlaceIQ.

The changes in the expected credit loss are as follows:

	As at December 31, 2020	As at December 31, 2019
Opening allowance for expected credit losses	**$ 35,163**	$ -
Provision for expected credit losses	**128,833**	57,674
Less: Trade receivables written off	**(154,455)**	(22,511)
Closing balance for expected credit losses	**$ 9,541**	$ 35,163

For the year ended December 31, 2020, the Company wrote off $154,455 in trade receivables for bad debt and customers who were directly affected by COVID-19. After accounting for the expected credit loss and the customers negatively impacted by COVID-19, management considers that the above-stated financial assets are of good credit quality. See Note 22 for a discussion of the Company's credit risk management activities.

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

(in Canadian Dollars)

The amounts recognized in the condensed consolidated interim statements of financial position relating to contractual liabilities are determined as follows:

	As at December 31, 2020	As at December 31, 2019
Opening contract liabilities	**$ 18,028**	$ 7,688
Amounts recognized during the year on contract liabilites outstanding at Janaury 1	-	$ -
Progress billings	**1,412,555**	$ 3,476,363
Contract liabilities incurred	**(18,028)**	$ (10,341)
Less: Aggregate amount of revenue recognized for all contracts in progress	**1,412,555**	$ 3,455,682
Contract liabilities	**$ -**	$ 18,028

6. PROPERTY AND EQUIPMENT

	Computer Equipment	Furniture	Vehicle	Total
Cost:				
As December 31, 2018	$ 58,854	$ 9,592	$ -	$ 68,446
Additions	18,226	-	40,053	58,279
Disposals	-	-	-	-
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**
Accumulated amortization:				
As December 31, 2018	$ 30,968	$ 3,266	$ -	$ 34,234
Amortization	15,704	1,918	1,112	18,734
As December 31, 2019	$ 46,672	$ 5,184	$ 1,112	$ 52,968
Amortization	$ 18,262	$ 1,439	$ 6,676	$ 26,377
Disposals	(1,125)	$ (6,623)	-	(7,748)
At December 31, 2020	**$ 63,809**	**$ -**	**$ 7,788**	**$ 71,597**
Carrying amounts:				
At December 31, 2019	$ 30,408	$ 4,408	$ 38,941	$ 73,757
At December 31, 2020	**$ 18,491**	**$ -**	**$ 32,265**	**$ 50,756**

(in Canadian Dollars)

Disposals	**Computer Equipment**	**Furniture**	**Vehicle**	**Total**
Costs disposed of	$ 1,446	$ 9,592	$ -	$ 11,038
Accumulated amortization disposed of	(1,125)	(6,623)	-	(7,747)
NBV disposed of	321	2,969	-	3,291
Cash received	(400)	-	-	(400)
(Gain) loss on sale	**$ (79)**	**$ 2,969**	**$ -**	**$ 2,891**

7. TRADE AND OTHER LIABILITIES

	As at December 31, 2020	As at December 31, 2019
Trade payables	**570,964**	$ 810,993
Accrued liabilities	**277,580**	498,733
Total trade and other liabilities	**848,544**	$ 1,309,726

8. 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. This loan is secured by the vehicle which has a net book value of $32,265 as of December 31, 2020 (December 31, 2019 – $38,941). The total interest of $2,428 was paid for the year ended December 31, 2020 (December 31, 2019 - $442). The total loan payable outstanding at December 31, 2020 is $37,644 of which $6,942 (December 31, 2019 - $6,541) 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. The total interest of $571 was paid for the year ended December 31, 2020 (December 31, 2019 - $nil). The total loan payable outstanding at December 31, 2020 is $19,467 of which $19,467 (December 31, 2019 - $nil) is included in current liabilities.

9. RELATED PARTY DEMAND LOAN & KEY MANAGEMENT COMPENSATION

The CEO and Founder has previously provided funding in the form of convertible demand loans, in the year ended December 31, 2020 the funding provided was $Nil (2019 - $624,087). On February 28, 2019 $8,225,383 was converted to common shares at a rate of $0.20 and $624,087 was converted at the same rate on April 22, 2019.

(in Canadian Dollars)

Included in salaries, benefits and recruiting within general and administrative expenses on the statement of loss and comprehensive loss are the amounts of $2,242 (2019 - $13,243) for a vehicle provided to an officer of the Company and $13,200 (2019 - $13,200) earned by an individual related to the same officer of the Company.

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

		2020		2019
Salaries and benefits	**$**	**710,694**	$	884,287
Stock based compensation		**43,314**		29,635
Board fees and related stock based compensation		**36,575**		63,516
Total key management compensation	**$**	**790,583**	$	977,438

10. REVERSE TAKEOVER AND PRIVATE PLACEMENT TRANSACTIONS

On June 14, 2019, the Company completed a three-cornered amalgamation among the Company, Freckle I.O.T. Ltd. and a wholly owned subsidiary of the Company incorporated solely for the purpose of completing the amalgamation, resulting in Freckle I.O.T. Ltd. becoming a direct, wholly owned subsidiary of the Company (the "Reverse Takeover" or "RTO"). The amalgamation constituted a reverse acquisition of the Company by Freckle I.O.T. Ltd. (being the legal subsidiary) as the accounting acquirer.

Pursuant to the terms of the Agreement:

- On completion of the RTO, the Company changed its name to Freckle Ltd.
- The Company's pre-RTO share capital was consolidated on the basis of 2.2278588 pre-consolidation shares for each new share in the Resulting Issuer (the "Consolidation");
- Each issued and outstanding common share of Freckle I.O.T. Ltd. was cancelled and replaced with one common share of the Freckle Ltd.; and
- All share purchase options and warrants in Freckle I.O.T. Ltd. and post-consolidation options in the Company are exercisable for common shares in Freckle Ltd.

The cost of the of the RTO was determined as follows:

(in Canadian Dollars)

Consideration transferred:	
Fair value of share-based consideration (24,999,932 shares at $0.20)	**$ 5,000,000**
Stock options (583,519 options)	**52,423**
Total consideration transferred	**$ 5,052,423**
Net assets acquired:	
Cash	**3,050,000**
Trade and other receivables	**38,994**
Trade and other liabilities	**(37,687)**
Total net assets acquired	**$ 3,051,307**
Listing costs	**$ 2,001,116**

Without significant operating activities, the Company did not meet the accounting definition of a business pursuant to IFRS 3, *Business combinations*, and the Transaction was accounted for as an acquisition of the net assets of the Company by Freckle I.O.T. Ltd. in exchange for shares in the Resulting Issuer under IFRS 2, *Share-based payments*. The excess of the fair value of the consideration provided over the net assets received was expensed in the current period as part of transaction costs. For accounting purposes, these consolidated financial statements reflect a continuation of the financial position, loss and comprehensive loss and cash flows of the Company's legal subsidiary, Freckle I.O.T. Ltd.

In connection with the RTO, the Company issued, by way a joint brokered private placement financing (the "Brokered Financing") a total of 25,145,000 subscription receipts (the "Subscription Receipts"). The Subscription Receipts were sold in two tranches on March 28, 2019 and April 15, 2019 for $0.20 per Subscription Receipt for total gross proceeds of $5,029,000. Each Subscription Receipt was converted, at no additional cost, into one common share in the Resulting Issuer upon completion of the Transaction.

As part of the March 28, 2019 tranche Freckle I.O.T. Ltd. issued directly 7,500,000 shares and 7,500,000 warrants to certain investors for gross proceeds of $1,500,000 that came directly to Freckle I.O.T. Ltd. on that date. The terms, commission and other fees were consistent with the Subscription Receipts financing. The costs were proportionately allocated to share capital and warrants based on the fair value of the investment.

In addition to the transaction costs above, upon the completion of the above transactions the following additional costs were incurred and deducted from equity: cash fees of $521,620 (7% (3.5% for certain investors) of funds raised in the private placements and an advisory fee of $125,000), legal fees of $466,856 and the brokers received a total of 1,983,100 compensation warrants (7% (3.5% for certain investors) of shares issued in the private placements) fair valued at $222,672 (see Note 10 for the valuation assumptions). The costs were proportionately allocated to share capital and warrants based on the fair value of the investment. Furthermore, the Company earned $14,342 of interest for the funds held in escrow.

(in Canadian Dollars)

11. SHARE CAPITAL

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

Issued and outstanding:

December 31, 2020	Number of Shares	Share Price
Balance as of January 1, 2020	216,521,909	
Issuance pursuant to private placement May 18, 2020[1]	42,000,000	0.025
Issuance pursuant to the exercise of stock options	500,000	0.05
Issuance pursuant to the exercise of warrants	42,000,000	0.05
Balance as of December 31, 2020	301,021,909	

December 31, 2019	Number of Shares	Share Price
Balance as of January 1, 2019	114,629,627	
Conversion of related party demand loan[2]	44,247,350	0.20
Issuance pursuant to private placement March 28, 2019[3]	7,500,000	0.15
Issuance pursuant to the conversion of the subscription receipts[3]	25,145,000	0.20
Issuance pursuant to the reverse takeover transaction[3]	24,999,932	0.20
Balance as of December 31, 2019	216,521,909	

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

[2]Includes the February 28, 2019 conversion of $8,225,383 at $0.20 per share and April 22, 2019 conversion of $624,087 at $0.20 per share (see Note 8).

[3]Transaction costs include 7% (3.5% to certain investors) cash commission of $396,620, which $383,495 was allocated to share capital, advisor fee of $125,000 of which $117,500 was allocated to share capital, compensation warrants fair value costs of $222,672, of which $209,883 was allocated to share capital and legal costs of $466,856 of which $403,148 was allocated to share capital.

(in Canadian Dollars)

Warrants issued and outstanding:

December 31, 2020

	Number of Share Warrants	Weighted average exercise price	Expiry date
Balance as of January 1, 2020	**24,191,477**	**$0.29**	
Expiry of issuance pursuant to private placement April 17, 2018[1]	**(9,625,000)**	**0.30**	**April 17, 2020**
Expiry of commission warrants issuance pursuant to the private placement April 17, 2018[1]	**(78,750)**	**0.30**	**April 17, 2020**
Issuance pursuant to private placement May 18, 2020	**42,000,000**	**0.05**	**November 16, 2021**
Expiry of issuance pursuant to private placement September 28, 2018[2]	**(4,679,627)**	**0.30**	**September 28, 2020**
Expiry of issuance pursuant of private placement December 31, 2018[3]	**(325,000)**	**0.30**	**December 31, 2020**
Exercise of warrants	**(42,000,000)**	**0.05**	
Balance as of December 31, 2020	**9,483,100**	**$0.28**	

[1]Transaction costs include 7% cash commission on certain investments totalling $15,750 of which $3,937 was allocated to warrants, 7% warrant commission on certain investments equating to 78,750 warrants valued at $3,938 of which $984 was allocated to warrants and legal costs totalling $32,747 of which $8,188 was allocated to warrants.

[2]Transaction costs include allocated legal costs of $9,561.

[3]Transaction costs include allocated legal costs of $632.

December 31, 2019

	Number of Share Warrants	Weighted average exercise price	Expiry date
Balance as of January 1, 2019	**14,708,377**	**$0.30**	
Issuance pursuant to private placement March 28, 2019[1]	**7,500,000**	**0.30**	**March 28, 2021**
Compensation warrants issuance pursuant to the conversion of subscription receipts and private placement[2]	**1,983,100**	**0.20**	**June 14, 2021**
Balance as of December 31, 2019	**24,191,477**	**$0.29**	

[1]Transaction costs include 3.5% cash commission of $52,500, of which $13,125 was allocated to warrants, advisory fee of $125,000, of which $7,500 was allocated to warrants, compensation warrants fair value costs of $222,672, of which $12,789 was allocated to warrants and legal costs of $466,856 of which $63,708 was allocated to warrants. 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 $.50 for 30 consecutive days on any Canadian market, following which the warrants will expire if not exercised within 30 days.

[2]These warrants were issued as part of the reverse takeover transaction as described in Note 10 of the consolidated financial statements for the year ended December 31, 2019.

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

	May 18, 2020	June 14, 2019	March 28, 2019
Weighted average share price	**$0.025**	$0.20	$0.15
Volatility	**100%**	108%	106%
Risk free interest rate	**0.32%**	1.46%	1.80%
Dividend yield	**-**	-	-
Barrier	**$0.080**	-	-
Rebate	**$0.030**	-	-

(in Canadian Dollars)

Loss per share:

	2020	2019
Weighted average number of common shares outstanding	**250,422,786**	184,440,017
Additions to reflect the dilutive effect of employee stock options and warrants	**-**	-
Adjusted denominator for diluted loss per share	**250,422,786**	184,440,017

Options and warrants that are anti-dilutive were not included in the compilation of diluted common shares for the year ended December 31, 2020. 9,034,772 (2019 – 7,819,850) stock options and 9,483,100 (2019 – 24,191,477) warrants were excluded from the calculations because they were anti-dilutive.

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 4,689,000 options issued in the year ended December 31, 2020 (2019 – 4,348,517) to employees and contractors. The fair value of compensation expense related to options issued to employees and contractors for the year ended December 31, 2020 is $250,314 (2019 - $243,619). On May 25, 2020, the Company repriced a total of 3,509,772 options to a new exercise price of $0.05. On August 27, 2020, the Company repriced a total of 350,000 options to a new exercise price of $0.07. On November 6, 2020, the Company repriced a total of 250,000 options to a new exercise price of $0.05. 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, 2020		
	Number of Options	**Weighted average exercise price**
Outstanding, January 1, 2020	**7,819,850**	**$0.13**
Granted	**4,689,000**	**0.08**
Exercised	**(500,000)**	**0.05**
Forfeited	**(2,974,078)**	**0.13**
Outstanding, December 31, 2020	**9,034,772**	**$0.06**

(in Canadian Dollars)

December 31, 2019

	Number of Options	Weighted average exercise price
Outstanding, January 1, 2019	6,983,000	$0.14
Granted	4,348,517	0.20
Exercised	-	-
Forfeited	(3,511,667)	0.21
Outstanding, December 31, 2019	7,819,850	$0.13

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

	2020	2019
Weighted average share price	**$0.08**	$0.05-$0.20
Expected life, in years	**1-5**	1-5
Volatility	**100%**	103%-110%
Risk free interest rate	**0.002% - 1.44%**	1.46%-1.60%
Anticipated forfeiture	**0%-48%**	0%-43%

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.

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**
$0.05	**4,787,772**	**2.48**	**3,801,772**
0.07	**3,197,000**	**4.59**	**513,333**
0.125	**200,000**	**4.92**	**0**
0.13	**250,000**	**4.92**	**83,333**
0.155	**500,000**	**4.92**	**166,667**
0.20	**100,000**	**3.91**	**100,000**
$0.05-$0.20	**9,034,772**	**3.50**	**4,665,105**

The following table summarizes information about stock options as at December 31, 2019

Options Outstanding			Options Exercisable
Exercise prices	Number outstanding	Weighted average remaining contractual life (years)	Number exercisable
$0.05	2,908,000	2.73	1,884,666
0.15	1,260,000	3.76	525,000
0.18	583,517	0.45	583,517
0.20	2,791,666	3.91	783,333
0.30	276,667	2.07	170,000
$0.05-$0.30	7,819,850	3.12	3,946,516

(in Canadian Dollars)

The weighted average exercise price was $0.06 as of December 31, 2020 (2019 - $0.12).

13. COMMITMENTS

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

	As at December 31, 2020
Less than one year	$ 646,693
Between one and five years	-

During the year $674,980 was expensed to general and administration and cost of services.

14. REVENUE

The Company's strategy is to build a community of consumers who fully and explicitly opt-in to sharing their personal data with brands in exchange for monetary compensation. The following chart shows the breakdown of the revenue earned in the various channels for the year ended December 31, 2020 (see Note 3(e)).

	2020	2019
Revenue from continued operations:		
Identity	$ 102,111	$ 27,726
Platform	75,732	-
Total revenue from continued operations:	177,843	27,726
Revenue from discontinued operations:		
Data & Segments	617,255	1,296,011
Digital	80,729	770,902
Search	443,089	742,419
Social	93,639	548,977
Out-of-home	-	69,647
Total revenue from discontinued operations:	$ 1,234,712	$ 3,427,956
Total revenue	$ 1,412,555	$ 3,455,682

By geographical location, the Company currently generates all its revenue from the US.

(in Canadian Dollars)

		2020		2019
Revenue from continued operations:				
US	$	**177,843**	$	27,726
Revenue from discontinued operations:				
US		**1,201,017**		2,981,563
Canada		**33,695**		446,393
Total Revenue from discontinued operations:		**1,234,712**		3,427,956
Total revenue	$	**1,412,555**	$	3,455,682

Major trade receivables

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

		2020		2019
Customer 1	$	**62,748**	$	-
Customer 2		**39,062**		-
Customer 3		**-**		983,045
Customer 4		**-**		487,240
Customer 5		**-**		394,542
Total revenue from major customers	$	**101,810**	$	1,864,827

15. COST OF SERVICES

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

		2020		2019
Management Platforms	$	**87,839**	$	9,570
Other		**304,012**		-
	$	**391,851**	$	9,570

Other is comprised of salaries and benefits charged to cost of services for $68,801 and $235,211 for cloud hosting in 2020 (2019 – $nil).

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

		2020		2019
Location data	$	**217,756**	$	582,966
Cross device matching services		**240,809**		477,260
Point of interest data		**(18,081)**		76,045
Other		**-**		37,900
	$	**440,484**	$	1,174,171

(in Canadian Dollars)

16. GENERAL AND ADMINSTRATIVE

General and administrative expenses for continuing operations are broken down as follows:

		2020		2019
Salaries, benefits and recruiting	**$**	**690,423**	$	956,393
Professional fees		**712,974**		610,291
Establishments		**110,506**		216,780
Office and personnel		**128,740**		207,069
Foreign exchange gains/losses		**(46,769)**		244,006
Other		**135,265**		40,981
	$	**1,731,139**	$	2,275,520

General and administrative expenses for discontinued operations are broken down as follows:

		2020		2019
Foreign exchange gains/losses	**$**	**107,556**	$	(135,936)

17. RESEARCH AND DEVELOPMENT

Research and Development expenses for continuing operations are broken down as follows:

		2020		2019
Salaries, benefits, contractors and recruiting	**$**	**1,330,968**	$	1,254,996
Cloud hosting, data processing and storage		**219,430**		123,409
Licenses, dues and subscriptions		**46,349**		48,925
Other		**79,456**		160,188
	$	**1,676,203**	$	1,587,518

Research and Development expenses for discontinued operations are broken down as follows:

		2020		2019
Salaries, benefits, contractors and recruiting	**$**	**125,883**	$	1,143,673
Cloud hosting, data processing and storage		**205,259**		580,241
Licenses, dues and subscriptions		**2,916**		38,541
Other		**13,115**		(129,675)
	$	**347,173**	$	1,632,780

18. SELLING AND BUSINESS DEVELOPMENT

Selling and business development expenses for continuing operations are broken down as follows:

		2020		2019
Salaries, commissions, benefits and contractors	$	467,533	$	-
Travel, meals and entertainment		13,578		-
Other		9,306		-
	$	**490,417**	$	-

(in Canadian Dollars)

Selling and business development expenses for discontinued operations are broken down as follows:

	2020	2019
Salaries, commissions, benefits and contractors	**$ 478,857**	$ 2,306,031
Travel, meals and entertainment	**139,824**	549,912
Licensing, dues, subscriptions	**26,670**	30,562
Tradeshows and other promotion	**1,048**	41,487
Other	**19,735**	18,852
	$ 666,134	$ 2,946,844

19. MARKETING

Marketing expenses for the company are broken down as follows:

	2020	2019
Advertising and promotion	**$ 64,747**	$ 482,227
User acquisition and retention	**295,296**	282,213
Salaries, benefits and contractors	**94,223**	247,197
Other	**691**	7,613
	$ 454,957	$ 1,019,250

20. PERSONNEL EXPENSES SUMMARY

Personnel expenses for the company are summarized as follows:

	2020	2019
Salaries	**$ 2,095,156**	$ 3,257,736
Benefits	**381,287**	393,568
Commissions	**151,180**	401,722
Share-based payments	**118,942**	243,619
	$ 2,746,565	$ 4,296,645

In personnel expense for 2020, salaries reported is net of the $447,773 CEWS received.

21. CASH FLOW INFORMATION

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

	2020	2019
Trade and other receivables	**$ 1,012,540**	$ (398,514)
Prepaid expenses	**(77,222)**	(13,765)
Investment tax credit recoverable	**120,642**	67,467
Trade and other liabilities	**(626,668)**	101,109
Contract liabilities	**(18,028)**	10,227
	$ 411,264	$ (233,476)

Non-cash investing activities are as follows:

Consideration for disposal of business included in trade and other receivables of $158,878.
Transaction costs related to disposal of business included in trade and other liabilities of $165,486.

22. 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 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, 2020. 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.

On that basis, the loss allowance as at December 31, 2020, and December 31, 2019 was determined as follows for trade receivables:

Trade receivables (Note 4) 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 statement 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, 2020, it was determined that an allowance for credit loss of $9,541 (2019 – 35,163) was required and wrote off uncollectible balances of $154,455 (2019 – $22,511).

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, 2020 and December 31, 2019:

	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, 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**
As at December 31, 2019					
Trade and other liabilities	$ 1,309,726	-	-	-	$1,309,726
Loan Payable	747	1,495	6,726	43,348	$ 52,316
	$ 1,310,473	$ 1,495	$ 6,726	$ 43,348	$1,362,042

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, 2020, the Canadian entities US-dollar net monetary assets totaled approximately US $254,593 (CAD $326,083) (December 31, 2019, net monetary assets – US $264,163 (CAD $343,095) and the Company's United States subsidiaries US-dollar monetary net liabilities totaled approximately US $11,384 (CAD $14,581) (2019 – US $82,932 (CAD $107,712)). A 10% strengthening in the Canadian dollar against the United States dollar as at December 31, 2020 would have decreased comprehensive loss and decreased shareholder's equity by $32,608 (2019 - $23,538). 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 sufficient liquidity to develop technology, engage in sales and marketing activities, while at the same time taking a conservative approach toward financial leverage and management of financial risk. Prior to 2020, the Company's capital was composed of debt financing from the CEO and Founder's related company and external financings completed privately or utilizing the public capital markets. During the previous year the loans were converted to common shares while during 2020 the Company utilized the public capital markets to help manage working capital requirements. In upcoming years the Company will continue to utilize public capital markets until the Company reaches a maturity point whereby other capital such as debt financings may become available to manage it's capital obligations.

(in Canadian Dollars)

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.

23. 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.

As disclosed in note 2(g) 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 to the end of December 31, 2020 in the amount of $398,953, net of transaction costs of $165,486.

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

	Note	2020	2019
Revenue	14	$ **1,234,712**	$ 3,427,956
Cost of services	15	**440,484**	1,174,171
Gross margin		**794,228**	2,253,785
Expenses			
General and administrative	16	$ **107,556**	(135,936)
Research and development	17	$ **347,173**	1,632,780
Selling and business development	18	$ **666,134**	2,946,844
		1,120,863	4,443,688
(Loss) income from discontinued operations		$ **(326,635)**	$ (2,189,903)

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

(in Canadian Dollars)

	2020	2019
Cash (used in) provided by operating activities	**$ 289,041**	$ (112,465)
Cash provided by financing activities	**-**	-
Cash provided by investing activities	**-**	-
Net cash outflow	**$ 289,041**	$ (112,465)

There is no current tax expense with respect to the discontinued operations for the year ended December 31, 2020 (2019 - $Nil)

24. FUTURE INCOME TAXES

Income tax expense varies from the amount that would be computed by applying the basic federal and provincial tax rates to income (loss) from operations before income taxes, shown as follows:

	As at December 31, 2020	As at December 31, 2019
Expected Tax Rate	**26.50%**	26.50%
Income before tax from discontinued operations	**$ (326,635)**	$ (2,189,903)
Income before tax from continuing operations	**(4,328,139)**	(6,865,247)
Income before tax	**(4,654,774)**	(9,055,150)
Expected Tax Benefit Resulting From Loss	**(1,233,515)**	(2,369,725)
Permanent Differences	**53,184**	635,726
Effect of losses not recognized		
Effect of other temporary differences not recognized	**1,179,945**	1,728,925
Rate Differential	**386**	5,073
Income tax expense (recovery)	**$ -**	$ -

Deferred income taxes reflect the impact of loss carry forwards and of temporary differences between amounts of assets and liabilities for financial reporting purposes and such amounts as measured by tax laws. The following deferred tax assets and liabilities have been recognized for accounting purposes:

	As at December 31, 2020	As at December 31, 2019
Deferred tax asset	**$ 4,735**	$ 27,194
Deferred tax liability	**(4,735)**	(27,194)
Net deferred tax liability	**$ -**	$ -

The effect of temporary differences and loss carry forwards that give rise to significant portions of the deferred tax liability, which has been recognized during the year are as follows:

(in Canadian Dollars)

	As at December 31, 2019	Recognized on Acquistion	Recognized in profit and loss	Recognized in goodwill	Recognized in equity	As at December 31, 2020
Deferred tax asset						
Government Incentives	$ 21,998	$ -	$ (21,998)	$ -	-	**$ -**
NOL	-	-	4,735	-	-	**4,735**
Other	5,196	-	(5,196)	-	-	**-**
	27,194	-	(22,459)	-	-	**4,735**
Deferred tax liability						
Fixed assets	(370)	-	370	-	-	-
Government Incentives	(21,998)	-	21,998	-	-	-
Other	(4,826)	-	91	-	-	**(4,735)**
	(27,194)	-	22,459	-	-	**(4,735)**
Net deferred tax liability	**-**	**-**	**-**	**-**	**-**	**-**

The tax effects of temporary differences and loss carry forwards that give rise to significant portions of the deferred tax asset, which have not been recognized, are approximately as follows:

	As at December 31, 2020	As at December 31, 2019
Fixed Assets	**$ 471,092**	$ 1,336
Share Issue Costs	**1,062,586**	1,024,844
Non-Capital Losses	**20,686,903**	16,322,175
Government Incentives	**1,262,025**	1,009,499
Other	**-**	552,225
Total	**$ 23,482,606**	$ 18,910,079

The company has the following non-capital losses available to reduce future years' federal and provincial taxable income, which expire as follows:

	Canada	**USA**	**Total**
2035	$ 367,894	$ -	**$ 367,894**
2036	1,048,567	-	**1,048,567**
2037	2,557,840	503,635	**3,061,475**
2038	3,624,765	1,391,953	**5,016,718**
2039	5,157,731	1,181,097	**6,338,828**
2040	4,464,096	407,443	**4,871,540**
	$ 17,220,893	$ 3,484,128	**$ 20,705,022**

As at December 31, 2020, the company does not have any gross temporary differences associated with the investment in subsidiaries.

25. SUBSEQUENT EVENT

On March 9, 2021, the Company announced that it completed a non-brokered private placement of 35,274,092 Units of the Company at a price of $0.13 per Unit for aggregate gross proceeds of $4,585,632. Each Unit consisted of one common share in the capital of the Company and one common share purchase warrant.