edgeTI™

(Formerly Aphelion Capital Corp.)

Management's Discussion and Analysis

For the Three Months and Year Ended December 31, 2023 and 2022

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INTRODUCTION AND BUSINESS SUMMARY

The following Management's Discussion and Analysis (this "MD&A") has been prepared as of June 24, 2023, in accordance with Form 51-102F1 and should be read in conjunction with the Company's annual and the audited consolidated financial statements and the notes thereto for the years ended December 31, 2023 and 2022.

Edge Total Intelligence Inc. (formerly, Aphelion Capital Corporation) ("edgeTI") (the "Company") financial statements are available under edgeTI's profile on SEDAR+ at www.sedarplus.ca.

The words "we", "our", "us", "Company" and "edgeTI" refer to Edge Total Intelligence Inc. together with its subsidiaries and/or the management and employees of the Company (as the context may require).

The Company's fiscal year ends on December 31 of each year. All dollar figures are stated in United States dollars unless otherwise indicated.

Forward looking statements

This MD&A contains "forward-looking information" within the meaning of applicable Canadian securities legislation. Forward-looking information includes, but is not limited to, statements with respect to the Company's objectives and the strategies to achieve these objectives, as well as information with respect to the Company's beliefs, plans, expectations, anticipations, estimates and intentions. Generally, forward-looking information can be identified by the use of forward-looking terminology such as "plans", "expects" or "does not expect", "is expected", "budget", "scheduled", "estimates", "forecasts", "intends", "anticipates" or "does not anticipate", or "believes", or variations of such words and phrases or statements that infer actions, events or results with terminology such as "may", "could", "would", "might", "will be taken", "occur" or "be achieved".

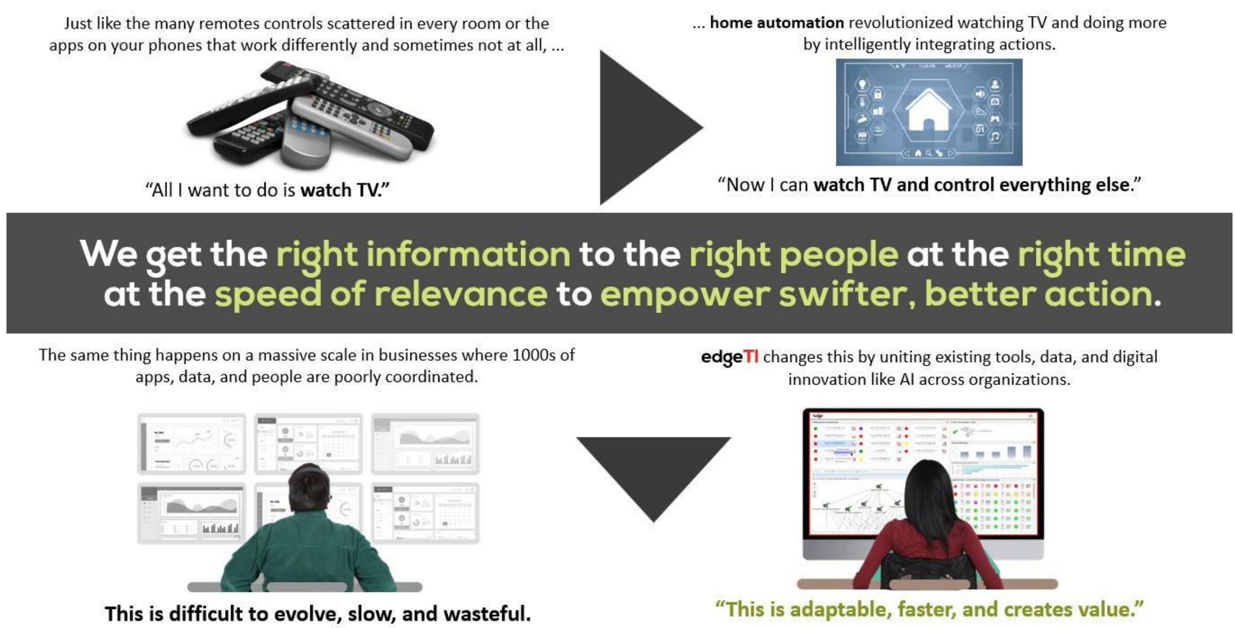
Forward-looking information is provided for the purposes of assisting the reader in understanding the Company and its business, operations, prospects and risks at a point in time in the context of historical and possible future developments and, therefore, the reader is cautioned that such information may not be appropriate for other purposes.

Forward-looking information is based upon numerous assumptions and is subject to a number of known and unknown risks and uncertainties, many of which are beyond the Company's control, which could cause actual results to differ materially from those that are disclosed in or implied by such forward-looking information. These risks and uncertainties include, but are not limited to: systems engineering operations; research and development operations; marketing and sales operations; business consulting operations; projections regarding the sales of subscriptions; statements with respect to the Company's growth of its subscription software license business; business strategy; future planning processes; statements with respect to the Company's future financial position including operating efficiencies, cash flow, capital budgets, costs and expenditures; and the risk factors that are discussed in greater detail under "Financial Instrument and Risk Management". Although the forward-looking information contained herein is based upon what the Company believes are reasonable assumptions, readers are cautioned against placing undue reliance on this information since actual results may vary from the forward-looking information. Certain assumptions were made in preparing the forward- looking information concerning availability of capital resources, business performance, market conditions, and customer demand. Consequently, all of the forward-looking information contained herein is qualified by the foregoing cautionary statements, and there can be no guarantee that the results or developments that the Company anticipates will be realized or, even if substantially realized, that they will have the expected consequences or effects on the Company's business, financial condition or results of operation.

Unless otherwise noted or the context otherwise indicates, the forward-looking information contained herein is provided as of the date hereof, and the Company does not undertake to update or amend such forward-looking information whether as a result of new information, future events or otherwise, except as may be required by applicable law.

Our core business purpose

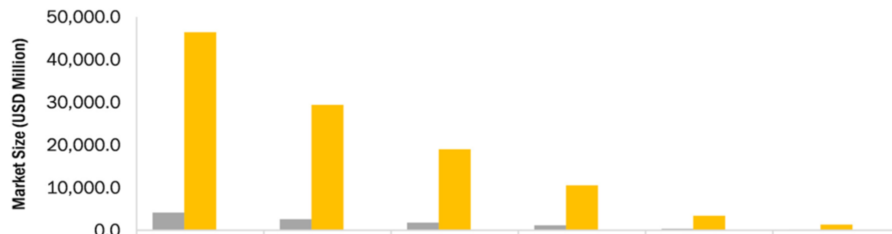
edgeTI makes software that rapidly and securely delivers the right information to the right people at the right time at the speed of relevance — empowering its customers to take swifter, better action again and again. edgeTI solves real world challenges and enables its customers to seize opportunities and rapidly respond to crises by extracting and aggregating operational and management data from disconnected systems. Providing automated workflow to orchestrate specific tasks across various business processes and IT systems, the progress, status, and results are presented in the context of the user's role and assigned duties (C-level to System Admin to Customer Support). Doing so allows the same data to be used in different perspectives to get everyone working in sync. Through the combination of data aggregation, task automation, and user visualization, both everyday scheduled and ad-hoc work becomes more observable, scalable, accurate and efficient.



Digital twin market

Years ago within IT sectors and military operations, technology leaders would use the phrase "single-pane-of-glass" to define systems that would bring the silos together and allow people to work across systems. In 2022 and even more so in 2023, the term and market of Digital Twin really began to take shape. With a compounded annual growth rate (CAGR) that rivals Artificial Intelligence, Digital Twins are projected by Markets and Markets to grow at rates in excess of 40% over the next 8 years. A digital twin is a digital replica of a person, group, organization, or city, systems process, or ecosystem that mirrors the reality of people and systems. Born in aerospace and manufacturing, they visualize what is happening, and incorporate the controls to make changes or even simulate what might happen and what might be the best decision. Digital Twins complement AI and provide a way to deliver safe AI enabled solutions.

FIGURE 8 . PREDICTIVE MAINTENANCE SEGMENT TO HOLD LARGEST MARKET SHARE OF DIGITAL TWIN MARKET, BY APPLICATION, IN 2028



	Predictive Maintenance	Business Optimization	Performance Monitoring	Inventory Management	Product Design & Development	Other Applications
2023	4,106.8	2,579.4	1,779.5	1,132.3	332.8	150.9
2028	46,429.8	29,399.6	18,969.0	10,535.6	3,388.5	1,327.2
CAGR (2023–2028)	62.4%	62.7%	60.5%	56.2%	59.1%	54.5%

Source: Secondary Research, Interviews with Experts, and MarketsandMarkets Analysis

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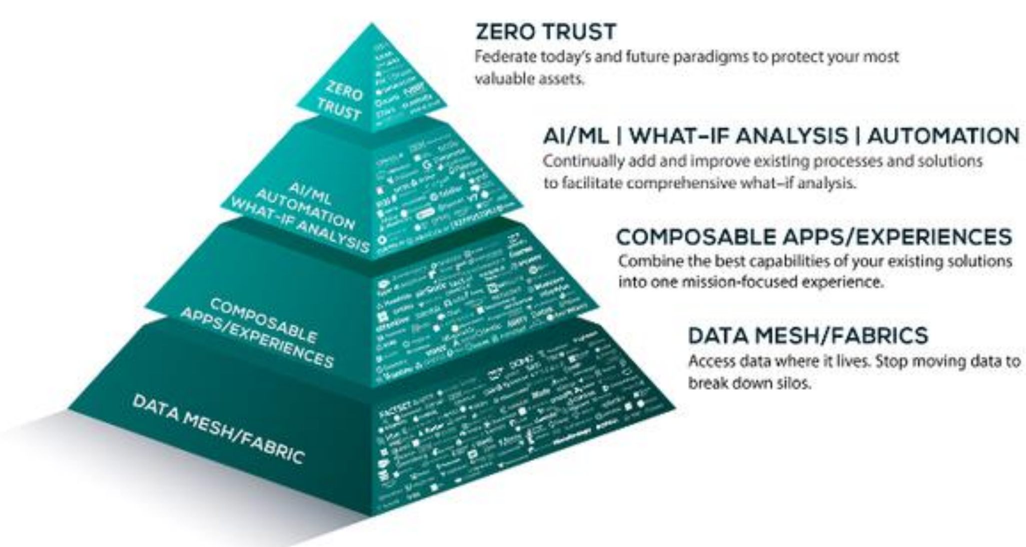
Objectives and strategy

edgeTI's goal is to lead the digital twin market for organizations looking to gain real-time access to data in a transparent, measurable, executable, and explainable way. In 2022, this took clearer focus as the Company enabled AI-driven and Automation innovations to be seamlessly woven into operations improving their ROI and success. The Company delivers digital twin solutions by harnessing the multiple systems its customers already have in place — eliminating the need for additional databases or data pathways that can be subject to increased cybersecurity risk. This forms Digital Twins of Organizations, composite operations, and processes that produce insight, greater agility, and performance improvement.

The Company's sales strategy is focused primarily through our strategic sales partners and, to a lesser extent, direct sales. Our revenue is produced through annual subscription fees (scaled by users and integrations and professional services). Growth also occurs through the addition of new customers and extension of the platform to new use cases that add users and integrations.



After gaining the interest of multiple analysts in regard to Digital Twins, the Company began communicating the capabilities of its platform, edgeCore, as crucial needs and capabilities for customers to be successful. Among these are solving the data problems with AI adoption.

Going concern and financial outlook

Management's Discussion and Analysis has been prepared based on a going concern, which assumes that the Company will continue operations 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, 2023, the Company incurred negative cash flows from operating activities of $716,857 (December 31, 2022 – negative cash flows of $3,735,052); an accumulated deficit of $30,625,092 (December 31, 2022 – $29,417,205); and an excess of current liabilities over current assets of $3,722,343 (December 31, 2022 – $8,606,313).

To continue as a going concern, the Company must generate sufficient income and cash flows to repay its obligations, finance working capital, and fund capital investments. The future of the Company is dependent on its ability to attain sufficient funds and profitable operations, maintain compliance with covenants relating to lending agreements, continue receiving financial support from shareholders, and obtain new financing. There is no certainty that the Company will raise these necessary funds from financing or operations. As a result of these factors, there is a material uncertainty that may result in a significant doubt on the Company's ability to meet its obligations as they become due and continue as a going concern.

Management is confident that the Company will obtain sufficient working capital from external financing and operating cash flows to settle the Company's liabilities and commitments as they become due. However, there is a risk that funding will not be available on a timely basis or on terms acceptable to the Company.

Management's discussion and analysis does not reflect adjustments that would be necessary if the going concern assumption were not appropriate. Should the Company be unable to continue as a going concern, adjustments to the carrying value of assets and liabilities, the expenses, and the statement of financial position classifications used would be necessary.

OVERALL PERFORMANCE

2023 Year-End Financial Highlights

- Fourth quarter 2023 revenue increased 29% to $971,419 for last three months of 2023 from $754,775 in Q4-2022 and twelve-months ended revenue increased 7% in 2023 to achieve $3,815,552 compared with $3,570,579 in 2022.
- Fourth quarter 2023 expenses including cost of goods sold decreased 50% to $2,522,161 versus $5,011,858 during the same period in 2022 while operating expense throughout 2023 decreased 33% to $6,766,648 compared with $10,145,442 in 2022.
- Net and comprehensive income/(loss) improved 126% in the fourth quarter of 2023 with income of $1,364,920 versus a loss of $(4,493,037) in the prior year. The loss over the entirety of 2023 resulted in an 81% decrease in loss to arrive at a loss of $(986,126) in 2023 versus a loss of $(6,194,329) in 2022.
- Total liabilities were reduced by 48% to $6,186,658 at twelve months ended December 31, 2023 versus $11,851,501 at the end of 2022.

2023 Year-End Achievements:

- In January of 2023, the Company secured a three-year renewal from human capital management leader and its use of edgeCore™ platform as they modernize IT operations.
- In January of 2023, the Company opened a new market segment with Idaho Environmental Coalition who is utilizing edgeCore platform to track and guide progress on the multiple projects tied to the U.S. Department of Energy's Idaho

National Lab.

- In January 2023, completed the restructure of the Company's debts and in March 2023 negotiated an increased credit line and a convert-to-share option on the Company's Credit Facility, which later converted $5.27 million in debt to 9 million common shares in October 2023 — reducing the Company's debt by more than half.
- In February 2023, demonstrated new capabilities to infuse AI into operations workflows via ChatGPT, a generative AI as part of the Company's commitment to operationalize AI.
- By March 2023, the Company received multiple industry analyst recognition from CB Insights comparing the company to Palantir. Gartner included EdgeTI in its Emerging Tech Impact Radar for 2023 and Market Guide for Technologies Enabling Digital Twin of an Organization
- In April 2023, the Company announced the general availability of its edgeCore™ platform 4.5 to empower its customers to rapidly compose and deploy secure, action-embedded (composable) apps that deliver the right information to the right people on the right device at the speed of relevance.
- In May 2023, the Company formed a strategic partnership with Grokstream, LLC ("Grokstream"), a leader in artificial intelligence for IT operations (AIOps). The strategic partnership leverages edgeTI's edgeCore™ platform to: a) expand integrations with enterprise IT management applications, b) orchestrate automation and workflow engines, and c) drive greater user acceptance through intuitive user experiences. The partnership is expected to increase edgeCore use throughout the Grokstream customer base.
- In June 2023, the Company announced that its shares trading on the OTCQB Venture Market under the symbol "UNFYF" became eligible to be electronically cleared and settled in the United States through the Depository Trust Company ("DTC") — making the Company's stock more accessible to U.S. retail and institutional investors.
- In July 2023, the United States Department of Veterans Affairs selected the Company for a five-year contract extension to visualize and empower pharmacy monitoring automation valued at near $4.7 million.
- At the AGM on August 23, 2023, the shareholders elected three new independent board members — establishing an independent board majority.
- In September 2023, the Company expanded into the energy sector with a partnership with energy AI Leader, Algo8, who optimizes digital plant and asset operations seamlessly and at scale.
- In October 2023, the Exchange approved the debt for shares transaction that converted $6M in debt and accrued interest to 9M common shares — reducing the Company's debt by more than half and increasing the Company's issued and outstanding shares.
- Throughout the year edgeTI CRO, Jacques Jarman, was selected to present several talks at Government Innovation and Targeted Topics in Augusta Georgia, National Harbor Maryland, Honolulu Hawaii on the merits of Digital Twins, Data Mesh, and Composable Apps. Each of these engagements presented Jacques Jarman as a leading expert in these topics and Edge as the solution to global challenges.

SELECTED QUARTERLY and ANNUAL INFORMATION

	As at Dec, 31,			
	2023	2022	Change	% Change
Current assets	**$ 1,310,294**	$ 1,484,159	$ (173,865)	-12%
Non-current assets	**$ 1,434,011**	$ 2,090,719	$ (656,708)	-31%
Total assets	**$ 2,744,305**	$ 3,574,878	$ (830,573)	-23%
	As at Dec, 31,			
	2023	2022	Change	% Change
Current liabilities	**$ 5,032,637**	$ 10,090,472	$ (5,057,835)	-50%
Non-current liabilities	**$ 1,154,021**	$ 1,761,029	$ (607,008)	-34%
Total liabilities	**$ 6,186,658**	$ 11,851,501	$ (5,664,843)	-48%

Edge Total Intelligence Inc.
Management's Discussion and Analysis
As at and for the three months and year ended December 31, 2023 and 2022

	Three Months Ended Dec. 31,		Year Ended Dec.31,	
	2023	2022	**2023**	2022
Revenue	**$ 971,419**	$ 754,775	**$ 3,815,552**	$ 3,570,579
Cost of goods sold	**281,299**	319,487	**1,121,269**	1,139,771
Gross profit	**690,060**	435,288	**2,694,283**	2,430,808
Gross margin %	**71%**	58%	**71%**	68%
Selling and marketing expenses	**508,980**	378,091	**1,251,354**	1,481,340
Administrative expenses	**949,617**	750,446	**2,210,675**	2,135,249
Research and development expenses	**439,755**	280,564	**1,643,377**	1,618,063
Impairment	**-**	3,075,130	**-**	3,075,130
Other (income)/expenses	**5,644**	102,038	**67,466**	426,638
Share-based expenses	**343,519**	106,102	**472,507**	269,251
Total operating expenses	**$ 2,247,515**	$ 4,692,371	**$ 5,645,379**	$ 9,005,671
Operating loss	**(1,557,455)**	(4,257,083)	**(2,951,096)**	(6,574,863)
Finance costs	**815,982**	280,513	**1,522,853**	979,945
Change in fair value of warrant liability	**-**	-	**-**	(1,261,874)
Bad debt expense	**78,800**	-	**596,804**	-
Change in fair value of debt modification	**156,254**	-	**(133,718)**	-
Change in fair value of derivative liability	**(1,772,691)**	-	**(1,772,691)**	-
Loss on settlement of convertible debt	**23,264**		**23,264**	
Cost recovery	**(2,000,000)**	-	**(2,000,000)**	-
Foreign exchange loss	**(2,223)**	(11,404)	**20,279**	(65,450)
Income/(loss) before income taxes	**$ 1,143,159**	**$ (4,526,192)**	**$ (1,207,887)**	**$ (6,227,484)**
Income tax expense	**-**	4,312	**-**	4,312
Net income/(loss)	**$ 1,143,159**	$ (4,530,504)	**$ (1,207,887)**	$ (6,231,796)
Other comprehesive loss				
Foreign currency translation loss/(gain)	**(221,761)**	(37,467)	**(221,761)**	(37,467)
Net and comprehensive income/(loss)	**$ 1,364,920**	$ (4,493,037)	**$ (986,126)**	$ (6,194,329)
Net gain/(loss) per share - basic & diluted	**$ 0.05**	$ (0.25)	**$ (0.06)**	$ (0.34)
Weighted average common shares outstanding				
Basic and diluted	**21,142,879**	18,457,066	**21,142,879**	18,457,066

	Year Ended Dec 31,			
	2023	2022	Change	% Change
Cash flows provided from (used in) operating activities	**$ (716,857)**	$ (3,735,052)	$ 3,018,195	-81%
Cash flows provided from (used in) financing activities	**972,284**	679,187	293,097	43%
Cash used in investing activities	**$ -**	$ (256,446)	$ 256,446	-100%

DISCUSSION OF OPERATIONS

Assets and Liabilities

	As at Dec, 31,			
	2023	2022	Change	% Change
Current assets	**$ 1,310,294**	$ 1,484,159	$ (173,865)	-12%
Non-current assets	**$ 1,434,011**	$ 2,090,719	$ (656,708)	-31%
Total assets	**$ 2,744,305**	$ 3,574,878	$ (830,573)	-23%
	As at Dec, 31,			
	2023	2022	Change	% Change
Current liabilities	**$ 5,032,637**	$ 10,090,472	$ (5,057,835)	-50%
Non-current liabilities	**$ 1,154,021**	$ 1,761,029	$ (607,008)	-34%
Total liabilities	**$ 6,186,658**	$ 11,851,501	$ (5,664,843)	-48%

Total assets

Total assets as at December 31, 2023 were $2,744,305 compared to $3,574,878 as at December 31, 2022 which represents a decrease of $850,573. The decrease is primarily the result of changes in intangible assets and goodwill from last year. Current assets as stated in the Consolidated Statement of Financial Position vs Consolidated Balance were nearly the same; yet the Company improved collections and increased prepaids while increasing its cash.

Total liabilities

Total liabilities as at December 31, 2023 were $6,186,658 compared to $11,851,501 as at December 31, 2022 represents a decrease of $5,664,843. The decrease is the result of significant effort to reduce overall debt with the extinguishment of Lotus Credit Facility and one related party debt as well as buydowns of principal in two related party convertible notes.

Revenue

	Three Months Ended Dec. 31,		Year Ended Dec.31,	
	2023	2022	**2023**	2022
Subscription software licenses	**$ 939,624**	$ 744,775	**$ 3,783,757**	$ 3,231,119
Professional consulting services	**31,795**	10,000	**31,795**	339,460
Total Revenue	**$ 971,419**	$ 754,775	**$ 3,815,552**	$ 3,570,579

Subscription revenue increased $194,849 for the three-months ended December 31, 2023 over the prior three-months ended December 31, 2022. Likewise, subscription revenue grew $552,638 for the year ended December 31, 2023 when compared to the prior year-ended December 31, 2022 as a result of increased subscriptions over the prior year and periods.

The Company's professional consulting services of $339,460 for the year ended December 31, 2022 compared with 2023 declined significantly by 91 percent. The reduction is by design as the Company continues to shift this work to OEM providers and system integrator partners who embed the edgeCore platform or provide professional services as part of a cohesive solution.

Cost of goods sold and gross margin

	Three Months Ended Dec. 31,		Year Ended Dec.31,	
	2023	2022	**2023**	2022
Revenue	**$ 971,419**	$ 754,775	**$ 3,815,552**	$ 3,570,579
Cost of goods sold	**281,299**	319,487	**1,121,269**	1,139,771
Gross profit	**$ 690,120**	$ 435,288	**$ 2,694,283**	$ 2,430,808
Gross margin percentage	**71%**	58%	**71%**	68%

Cost of goods sold is comprised of salaries and other personnel related costs, direct subcontractor, and other costs associated with delivering subscriptions and support services, as well as professional consulting services. Cost of goods sold also includes the amortization of software development costs.

Quarter over Quarter		Year over Year	
Change	% Change	Change	% Change
$ 216,584	29%	$ 244,973	7%
(38,188)	-12%	$ (18,502)	-2%
$ 254,772	59%	$ 263,475	11%
13%	23%	3%	4%

Gross margin improved significantly by 13% in the three months ended December 31, 2023 due to reductions in amortized costs that were present in the three-months ended December 31, 2022. Across the year, gross margins moderately improved by 3% aided by revenue growth and slightly lower costs.

Operating Expense

Selling and marketing expenses

	Three Months Ended Dec. 31,		Year Ended Dec.31,	
	2023	2022	**2023**	2022
Selling and marketing expenses	**$ 508,980**	$ 378,091	**$ 1,251,354**	$ 1,481,340
As a percentage of revenue	**52%**	50%	**33%**	41%

For the three months ended December 31, 2023, the Company increased its marketing efforts at events focused on target opportunities in operational energy, interest from the Philippines within the private and public sector, and business process automation. A positive source of leads, these events pushed year-end costs upwards by 35%. Some of this surge is attributable to large deals that drove large commissions.

Quarter over Quarter		Year over Year	
Change	% Change	Change	% Change
$ 130,889	35%	$ (229,986)	-16%
2%	5%	-9%	-21%

During the year ended December 31, 2023, Selling and marketing expenses across the year were lower by $229,986 as the company did not backfill salespeople, but focused on partner management and consultants to work in target markets. Likewise, management deferred commissions to preserve cash to fund lead generation activities throughout the year.

Administrative expenses

	Three Months Ended Dec. 31,		Year Ended Dec.31,	
	2023	2022	**2023**	2022
Administrative expenses	**$ 949,617**	$ 750,446	**$ 2,210,675**	$ 2,135,249
As a percentage of revenue	**98%**	99%	**58%**	60%

For the three months ended December 31, 2023, administration expenses increased approximately $200,000 compared to the same period in 2022. The increase is mostly due to increased legal fees, audit fees and insurance fees primarily related to being a public company. Especially legal fees associated with an investor awareness campaign and completing a debt for shares activity that converted 6 million in debt to more than 9 million shares.

Quarter over Quarter		Year over Year	
Change	% Change	Change	% Change
$ 199,171	27%	$ 75,426	4%
-2%	-2%	-2%	-3%

During the year ended December 31, 2023, administrative expenses increased $75,426 compared to the same period in 2022. The increase is primarily a result in overall increased costs in audit, insurance and legal costs associated with being a public company that were largely offset by negotiating less expensive supplier contracts and software as well changes in staffing and associated fringe benefits.

Research and development expenses

	Three Months Ended Dec. 31,		Year Ended Dec.31,	
	2023	2022	**2023**	2022
Research and development costs	**$ 439,755**	$ 280,564	**$ 1,643,377**	$ 1,618,063
As a percentage of revenue	**45%**	37%	**43%**	45%

The three months ended December 31, 2023, research and development costs increased 57% primarily as a result of research and development costs not being capitalized through the year and the promotion of Scott Lesley to Chief Technology Officer.

Across the year ended December 31, 2023, research and development costs remained consistent with the prior year as the edgeTI balanced maintaining innovation with controlling costs. Throughout 2023, the Company performed maintenance work and new capabilities in web adapters that were immediately released to market.

Quarter over Quarter		Year over Year	
Change	% Change	Change	% Change
$ 159,191	57%	$ 25,314	2%
8%	22%	-2%	-5%

Other expense

	Three Months Ended Dec. 31,		Year Ended Dec.31,	
	2023	2022	**2023**	2022
Other (income) expense	**$ 5,644**	$ 102,038	**$ 67,466**	$ 426,638
As a percentage of revenue	**1%**	14%	**2%**	12%

During the three months ended December 31, 2022, other expenses decreased by nearly $100,000 within the last quarter. Likewise, during the year ended December 31, 2023, other expenses decreased by more than $350,000 as payroll protection program (PPP) loan activity had its final impact on other expenses in 2022.

Adjustments

Finance costs

Finance costs for the three-months ended December 31, 2023 increased by 191% were $815,982 compared to $280,513 the prior year's last three months in 2022. Finance costs across the entire year increased by 55% to $ 1,522,853 for the year ended December 31, 2023 from $979,945 for the same period in 2022. The significant increases are due to multiple debt negotiations, conversions, and extinguishments summarized in the following paragraph and detailed in Note 4 of the Consolidated Financial Statements.

The premier debt with Salem Investments was reduced to under $3 million with an interest rate reduction of 12% to 6%. The line of credit with Lotus Domaine was increased to fund the debt reduction with Salem and two convertible promissory notes of $100,000. Rising to $5.27 million, the related party debt with Lotus Domaine was converted to roughly 9 million common shares in early October 2023 upon approval by the exchange. Before the year ended, the Company closed out a promissory note with JHTJ Ltd. All of these events will reduce future finance costs.

Bad debt expense
Bad debt expense for the three-months ended December 31, 2023 was $78,800 compared to $nil the prior year's last three months. Bad debt expense across the entire year was $596,804 for the year ended December 31, 2023 and $nil for the same period in 2022. The bad debt expense was driven mostly by a customer's internal restructuring and classification of the Company's solution and was necessary in the booking of new orders. Smaller actions were normal bookkeeping effort to account for non-payment of features.

Change in fair value of debt modification
Change in fair value of debt modification for the three-months ended December 31, 2023 was $156,254 compared to $nil the prior year's last three months. Change in fair value of debt modification was $133,718 for the year ended December 31, 2023 and $nil for the same period in 2022. Changes in the fair value of debt modification were driven by IFRS guidelines towards shifts in fair value when the terms of a debt change and in the case of related parties, assesses differences in market interest rates. The changes are calculated individually and aggregated. Greater detail is in Note 12 of Consolidated Financial Statements.

Net and comprehensive income/(loss) and Net gain/(loss) per share
Net income for the fourth quarter ended December 31, 2023 was $1,364,920 and a gain of $0.05 per share (basic and diluted), compared to a net loss of $4,493,037 or $0.25 per share (basic and diluted) in the fourth quarter ended December 31, 2023. The income and gain in the fourth quarter of 2023 compared to the same periods in 2022 are the result of no impairment in 2023, a change in the fair value of derivative liability, and cost recovery. Net loss for the year ended December 31, 2023 was $986,126 and net loss per share of $0.06 compared to yearly losses in 2022 of $6,194,329 and $0.34 per share. Reductions in losses per share are the result of expense controls, debt reduction, and progress towards becoming profitable.

Cash Flow

	Year Ended Dec 31,			
	2023	2022	Change	% Change
Cash flows provided from (used in) operating activities	**$ (716,857)**	$ (3,735,052)	$ 3,018,195	-81%
Cash flows provided from (used in) financing activities	**972,284**	679,187	293,097	43%
Cash used in investing activities	**$ -**	$ (256,446)	$ 256,446	-100%

Cash flow provided from (used in) operating activities
Cash used in operating activities for the year ended December 31, 2023 was $(716,857) compared to cash used in operations of $(3,735,052) in the same period in 2022 — representing a difference of $3,018,195. Cash used in operations is primarily a result of the impairment write downs in 2022.

Cash flows provided from (used in) financing activities
Cash used in financing activities for the year ended December 31, 2023 was $972,284 compared to cash from financing of $679,187 in the same period in 2022, which represents an increase of $293,097. The increase is a result of the $3 million repayment to the Salem promissory note early in 2023 combined with other draws throughout 2023 per the

Consolidated Statements of Cash Flows in the Company's Financial Statements.

Cash flows used in investing activities

Cash used in investing activities for the year ended December 31, 2023 and 2022 includes the amount of software development costs that historically met the criteria for capitalization. During the year ended December 31, 2023, no software development costs were capitalized compared to $239,363 during the same period of 2022. The reduction in amount capitalized is a result of the software development being more immediate use customer focused and maintenance. As such, the work does not meet all criteria necessary for capitalization under IFRS rules.

Non-IFRS Measures

Non-IFRS financial measures are not recognized measures under IFRS, do not have a standardized meaning prescribed by IFRS and are unlikely to be comparable to similar measures presented by other companies. Nonetheless, the Company provides non-IFRS measures as additional information to complement financial statements prepared under IFRS to provide further understanding of results of operations from management's perspective. These measures should not be considered in isolation nor as a substitute for analysis of our financial information reported under IFRS.

	Q4 2023	Q3 2023	Q2 2023	Q1 2023
Forward annual recurring Revenue(MRR)	**$ 313,208**	$ 369,923	$ 321,593	$ 292,103

	Year Ended Dec.31,	
	2023	2022
Adjusted EBITDA	**$ 2,107,755**	$ (2,031,274)

Monthly Recurring Revenue (MRR)

MRR represents the monthly recurring revenue for the last month in the quarter and is a measure of the growth in the Company's subscription software licenses and renewal revenue. The Company's monthly recurring revenue was $313,208 on average for Q4 after an incredible third quarter performance of $369,923 in September 2023 from multiple short-term pilots through summer and the close of one customer contract renewal at almost $5M.

EBITDA and Adjusted EBITDA

EBITDA is defined as net income or loss excluding interest, depreciation and amortization, and income tax expense. Adjusted EBITDA is defined as EBITDA excluding, one-time non-recurring expenses including reverse acquisition expenses, bad debt recovery or expense, change in the value of warrant liability and impairments. A reconciliation from the Company's net loss for the three months ended and year ended December 31, 2022 is as follows:

	Year Ended Dec.31,		Year over Year	
Adjusted EBITDA reconciliation	**2023**	2022	Change	% Change
Net profit/(loss)	**$ (1,207,887)**	$ (6,231,796)	$ 5,023,909	-81%
Interest	**1,522,853**	979,945	542,908	55%
Amortization	**833,932**	1,123,070	(289,138)	-26%
Share based expenses	**472,507**	269,251	203,256	75%
Bad debt	**596,804**	15,000	581,804	3879%
Changes in fair value of warranty liability	**-**	(1,261,874)	1,261,874	-100%
Impairment loss	**-**	3,075,130	(3,075,130)	-100%
Changes in fair value debt modification	**(133,718)**	-	(133,718)	
Loss on settlement of convertible debt	**23,264**	-	23,264	
Adjusted EBITDA	**$ 2,107,755**	$ (2,031,274)	$ 4,139,029	-204%
As a percentage of revenue	**217%**	-269%	486%	-181%

Management holds that EBITDA and Adjusted EBITDA are useful measures of financial performance because they provide an indication of the Company's ability to seize growth opportunities in a cost-effective manner and finance its ongoing operations.

SUMMARY OF QUARTERLY RESULTS

	Year-ended Dec. 31, 2023	**Dec 31, 2023**	Sept. 30, 2023	June 30, 2023	Mar. 31, 2023
Revenue	**$ 3,815,552**	**$ 971,419**	$ 1,035,269	$ 894,732	$ 914,132
Net loss and comprehensive loss	**$ (986,126)**	**$ 1,364,920**	$ (322,966)	$ (1,440,061)	$ (588,019)
Net loss per share, basic and diluted	**$ (0.06)**	**$ 0.05**	$ (0.02)	$ (0.08)	$ (0.03)

	Year-ended Dec. 31, 2022	Dec 31, 2022	Sept. 30, 2022	June 30, 2022	Mar. 31, 2022
Revenue	$ 3,570,579	$ 754,775	$ 908,064	$ 951,219	$ 956,521
Net loss and comprehensive loss	$ (6,194,329)	$ (4,493,037)	$ 292,906	$ (627,608)	$ (1,366,590)
Net loss per share, basic and diluted	$ (0.34)	$ (0.25)	$ 0.02	$ (0.03)	$ (0.08)

Quarter ended December 31, 2023

- The increase in net income of $1,364,920 in fourth quarter 2023 to a net loss of $4,493,037 in fourth quarter 2022 is primarily a result of the impairment loss on intangible assets and cost recovery recorded in Q4 2022.

Quarter ended September 30, 2023

- Record revenues of $1,035,269, buoyed by summer pilot subscriptions. A strong percentage >50% of pilots historically result in business within a year of their taking place as customers gain approval to deploy edgeCore into operations.

Quarter ended June 30, 2023

- Minor dip in revenue occurred when new contracts were offset by significant delays in contract funding and payments due to delays in US Federal Government budget approvals.

Quarter ended March 31, 2023

- Strong recovery over prior fourth quarter 2022 shortfall from cancelled federal programs in US and Canada.

Quarter ended December 31, 2022

- The increase in the net loss from net income of $292,906 in Q3 2022 to a net loss of $4,493,037 in Q4 2022 is primarily a result of the impairment loss on intangible assets of $3,075,130 recorded in Q4 2022. The variance in net income (loss) is also due to the gain recorded on the change in warrant liability fair value of $1,261,874.
- Total revenues decreased $153,289 from third quarter 2022 to fourth quarter 2022 primarily due to reduced professional customer services of $10,000 in Q4 2022 compared to $112,366 in Q3 2022.

Quarter ended September 30, 2022

- The decrease in the net loss from $627,608 to net income of $292,906 is a result of a gain recorded on the change in warrant liability fair value of $1,261,874.

Quarter ended June 30, 2022

- The decrease in the net loss from $1,366,880 to $627,608 is primarily as a result of cost reduction initiatives composed of staff reductions and contract services.

Quarter ended March 31, 2022

- The increase in total revenues from $890,213 in Q4 2021 to $958,202 in Q1 2022 is primarily a result in increases in subscription revenues through new customers and increased subscription renewal.

LIQUIDITY AND CAPITAL RESOURCES

During the three months ended December 31, 2023, the Company has primarily funded its working capital needs from drawing on its collections from receivables and from its cash balance as well as cost recovery. In addition to funding ongoing options through its cash balance the Company has financial commitments outlined in the Financial Instrument and Risk Management section of this MD&A. These items taken together may materially affect the Company's liquidity.

Cash

As at December 31, 2023, the Company's reported cash balance was $993,284 compared to $480,135 as at December 31, 2022, representing an increase of $513,149. The increase is primarily a result of cost recovery in the 4th quarter.

	Year Ended Dec 31,			
	2023	2022	Change	% Change
Current assets	**$ 1,310,294**	$ 1,484,159	$ (173,865)	-12%
Current liabilities	**5,032,637**	10,090,472	(5,057,835)	-50%
Working capital deficit	**$ (3,722,343)**	$ (8,606,313)	$ 4,883,970	57%

Working capital deficit

Working capital represents the Company's current assets less its current liabilities. The Company's working capital deficit as at December 31, 2023 was $3,722,343 and $8,606,313 as at December 31, 2022. The decrease in working capital deficit of $4,883,970 is a result of reductions in total liabilities and reclassification of the Company's debts to align with IFRS guidelines on accounting for related party convertible notes.

SHARE CAPITAL

The Company has 28,265,000 single voting shares (SVS) and 26,570 multi voting shares (MVS) outstanding at December 31, 2023 compared to 18,993,459 SVS shares and 26,600 MVS shares outstanding at December 31, 2022. During the fourth quarter ended December 31, 2023, the 9,109,541 SVS shares were created with no share purchase warrants as part of the extinguishment of the Lotus Convertible line of credit.

Stock based compensation

Information about stock options issued and exercised during the year ended December 31, 2022 is as follows:

	Number of options		Weighted Average Exercise Price in CAD
Balance, December 31, 2021	**800,000**	**$**	**0.34**
Granted	2,034,935		0.62
Exercised	100,000		0.05
Forfeited	183,301		0.62
Balance, December 31, 2022	**2,551,634**	**$**	**0.56**
Granted	2,167,500		0.99
Exercised	132,000		0.19
Forfeited	873,301		0.79
Balance, December 31, 2023	**3,713,833**	**$**	**0.77**

The Company recognized share based compensation expense of $472,507 during the year ended December 31, 2023 and $269,251 from the stock options that vested during year ended December 31, 2022.

FINANCIAL INSTRUMENT AND RISK MANAGEMENT

Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations and arises principally from deposits with banks and outstanding receivables. Cash is placed with a major US financial institution and the Company's concentration of credit risk for cash and maximum exposure is $993,284 ($480,135 – December 31, 2022).

The Company trades only with recognized, creditworthy third parties. The Company performs credit checks for all customers who wish to trade on credit terms. The Company does not hold any collateral as security but mitigates this risk by dealing only with what management believes to be financially sound counterparties and, accordingly, does not anticipate significant loss for non- performance. The Company has no history of customer credit defaults and as a result has not made a provision for credit risk default of customers.

	Under 30	30-60 days	Over 60 days	Total
Accounts receivable aging	$ 59,544	$ -	$ 33,807	$ 93,351

The Company is exposed to a concentration of credit risk relating to one customer that represents 27% of trade accounts receivable as at December 31, 2023 (December 31, 2022 - 10%) at much lower accounts receivables levels. During the year ended December 31, 2023 one customer accounted for 21% (December 31, 2021 – 20%) of total revenue.

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they become due. The Company mitigates liquidity risk by adjusting its expenses in relation to its revenues, through working capital management, and loans and advances from its lender. The Company's exposure to liquidity risk is dependent on the Company's ability to generate sales, manage its expenditure based on its sales and continued support from its lender. At December 31, 2023, the Company has $5,014,084 (December 31, 2022 - $10,339,433) of liabilities net of deferred revenues with the following due dates and carrying values:

	Under 3 months	3 months - 1 year	1 - 2 years	3 - 5 years	Total
Accounts payable and accured liabilties	$ 751,490	$ -	$ -	$ -	$ 751,490
Related party loan payable	-	-	-	806,114	806,114
Lease payments	23,785	55,213	56,400	9,400	144,798
Promissory note payable	-	3,011,682	-	-	3,011,682
Warrant liability	-	300,000	-	-	300,000
Total	$ 775,275	$ 3,366,895	$ 56,400	$ 815,514	$ 5,014,084

Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency rate risk, interest rate risk and other price risk.

Currency risk

Currency risk is the risk to the Company's earnings that arises from fluctuations of foreign exchange rates. The Company does not have any significant assets held in currencies other than the USD and is not exposed to significant foreign currency exchange risk as international sales are denominated in its functional currency.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company does not have investments in any variable interest-bearing securities and therefore is not subject to interest rate risk.

Other price risk

Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market. The Company is not exposed to other price risks.

TRANSACTIONS BETWEEN RELATED PARTIES

References to "Note xx" in the tables and text, are provided to direct the reader to greater detail found in the Company's Consolidated Financial Statements.

Accounts payable and accrued liabilities

Included in accounts payable and accrued liabilities (Note 7) is an amount of $193,294 (2022 - $74,260) due to related parties that are not the Company's line of credit (see below), loan payable (Note 13) and convertible debt (Note 14).

Financial Instruments with related parties

During 2023, the Company's financial instruments underwent multiple modifications, involving changes to interest rates, embedded derivatives and currency fluctuations. The following table begins with a summary of the first group of related party payable balances as at:

		December 31, 2023		December 31, 2022
Loans payable:				
Loans payable to ConnertonA LLC (Note 13)	$	**594,259**	$	587,305
Convertible Note (Note 14)		**211,855**		853,636
	$	**806,114**	$	1,440,941
Derivative liability:				
Loans payable to ConnertonA LLC	$	-	$	-
Convertible Note (Note 14)	$	**282,904**	$	950
	$	**282,904**	$	950
	$	**1,089,018**	$	1,441,891

Comparative figures - reconciliation

Based on the analysis and testing of the various components of these financial instruments, these related party payable balances as at December 31, 2022 have been reclassified as loan payable (Note 13) and convertible debt (Note 14).

		December 31, 2022
Reported in consolidated financial statements in 2022	$	1,305,390
Less: Amounts reclassifed to other notes in the financial statements in 2023		
Loan payable to ConnertonA LLC (Note 13)		(555,390)
Convertible Note (Note 14)		(749,050)
Foreign currency derivative liability associated with convertible debentures (Note 15)		(950)
Related-party payable balances, as above	**$**	**-**
Reported in consolidated financial statements in 2022	$	1,740,000
Add: Amounts reclassifed from other notes in the financial statements in 2023		
Accrued interest (Note 7)		20,079
Line of credit with Lotus Domaine III, L.P., as above	**$**	**1,760,079**

Line of credit with Lotus Domaine III, L.P.

On June 1, 2022, the Company entered into a credit facility agreement with Lotus Domaine III, L.P ("Lotus" or "Lender"), a private equity fund which is also a significant shareholder of the Company (the "Credit Facility Agreement"), pursuant to which Lotus agreed to make available to the Company a credit facility (the "Credit Facility") in the authorized aggregate amount of up to $1 million. The Credit Facility bore interest at 5% per annum and maturity date of May 31, 2025. In the table below are a series of amendments and modifications to the Credit Facility:

The Credit Facility Agreement was amended on December 2, 2022. The amendment was effective January 22, 2023, following negotiations with Salem Investment Partners IV, L.P ("Salem"), to increase the Credit Facility to $5 million based on certain conditions including (i) the partial repayment to Salem and the indebtedness to Salem to not exceed $3 million, (ii) the interest rate was increased to 13% per annum and (iii) the maturity date was extended to December 2, 2025. Pursuant to the amended Credit Facility Agreement, the Company must (i) maintain a minimum liquidity of $100,000 at all times, (ii) the Company's trailing six-month revenue, as determined in accordance with IFRS, measured as of the last day of each month, shall be greater than or equal to 80% of the previously agreed business plan between Lotus and the Company.

On January 20, 2023, the Company amended the Credit Facility Agreement to, among other things: increase the Credit Facility to $5.1 million (ii) decrease the interest rate to 8% per annum; (iii) extend the repayment date to January 20, 2026. $3.2 million of the Credit Facility was drawn on January 23, 2023 to complete a partial repayment on the promissory note with Salem and management; and (iv) amended the security interest in the Collateral, to priority collateral interest in any and all of properties, rights and assets of the Company, after the first priority position of the lender Salem Investment Partners.

On March 1, 2023, the Company further amended the Credit Facility Agreement to (i) increase the amount available under the Credit Facility to $5.95 million and (ii) allow for the principal amount and unpaid interest on the Credit Facility to be converted to SVS at a conversion price of $0.90 CAD per SVS.

On March 20, 2023 and June 7, 2023, the Company had drawn an additional sum of $850,000 and $203,393 respectively under this arrangement.

These amendments by the Lender were determined to be a related party of the Company under IAS 24 due to the Lender's significant influence over the financing, investing, and operational decisions of the Company due to its over 25% shareholder voting rights and substantive positions in the board of directors of the parent company. Accordingly, the Lender was determined to be acting more in the interests of a shareholder rather than as a creditor and had the following implications:

a) Any adjustment to record initial advances at market interest rates would be recognized in shareholders equity as a capital transaction
b) Gains or losses on extinguishments of debt would be recorded in shareholders' equity (contributed surplus) as a capital transaction rather than profit and loss.

Based upon the 10% qualification test and qualitative factors under IFRS 9, each of the above amendments during the year were concluded to be a debt extinguishment. Under Debt extinguishment accounting, a gain or loss is recognized for the difference between the carrying value of the original loans and the assumption of the new debt instruments recognized at fair value, but the gain or loss is recognized in capital as with a related party.

On June 30, 2023, the Company announced the issuance, subject to Exchange approval, of an aggregate of 9,109,541 SVS to Lotus at a deemed price of CA$0.90 per SVS for the settlement of US$5,274,832, being the principal amount plus interest accrued as of June 30, 2023, owed under the Credit Facility (the "Debt Settlement').

On October 4, 2023, the Exchange accepted the Company's proposal to issue 9,109,541 shares to settle the outstanding debt. On October 11, 2023, shares were issued, which extinguished the debt and terminated the Credit Facility.

Summary based on movements at each milestone date	January 20, 2023	March 1, 2023	March 20, 2023	June 7, 2023	October 11, 2023	Summary
Balance at December 31, 2022						$ **1,760,079**
Interest						33,957
Carrying value of the debt	1,794,036	4,661,537	1,515,537	2,506,709	2,980,080	1,794,036
Additions	3,156,607	-	850,000	203,393	-	4,210,000
Contributed surplus - (gain) / loss on extinguishment	(340,989)	58,762	(92,258)	(112,149)	528,697	42,063
Debt at fair value	4,609,654	4,720,299	2,273,279	2,597,953	3,508,777	6,046,099
Derivative portion of the debt	-	(3,254,151)	-	-	-	(3,254,151)
	4,609,654	1,466,148	2,273,279	2,597,953	3,508,777	2,791,948
Interest and accretion up to next amendment or drawdown date	51,883	49,389	233,430	382,127	-	716,829
Settlement upon conversion to shares	-	-	-	-	(3,508,777)	(3,508,777)
Carrying value at the next milestone date	$ **4,661,537**	$ **1,515,537**	$ **2,506,709**	$ **2,980,080**	$ -	$ -

Summary based on movements at each milestone date	January 20, 2023	March 1, 2023	March 20, 2023	June 7, 2023	October 11, 2023	Summary
Derivative liability	$ -	$ **3,254,151**	$ **3,254,151**	$ **3,254,151**	$ **3,254,151**	$ **3,254,151**
Change in derivative liability	-	-	-	-	(1,488,096)	(1,488,096)
Derivative liability no longer needed upon settlement					(1,766,055)	(1,766,055)
Closing derivative liability		$ **3,254,151**	$ **3,254,151**	$ **3,254,151**	$ -	$ -

Total debt and derivative liability as at October 11, 2023	$ (5,274,832)
Settlement upon conversion to shares (Note 17)	$ **(5,274,832)**

Related party lease arrangements
The Company has a three-year lease arrangement for office space with a company controlled by an executive employee of the Company that commenced on March 1, 2021. During the first quarter of 2023, the Company renewed this lease arrangement for another 3-year term up to February 28, 2026. The Company is required to make monthly payments of $4,700 under the terms of the lease. During the year ended December 31, 2023, the Company paid $56,400 (December 31, 2022 - $56,400) under this arrangement.

Related parties
The Company has identified its directors, key management, their family members and companies over which they have significant influence or control. No post-employment benefits or other long-term benefit payments were made during the three months and year ended December 31, 2023 or 2022. Termination payment of $nil was made during the year ended December 31, 2023 ($52,000 - December 31, 2022). For the three months and year ending December 31, 2022 the Company had employment-related payments of wages and benefits and stock-based compensation to its key management and directors and the following transactions with related parties during the year.

The Company defines key management personnel as being the Chief Executive Officer, Chief Technology Officer, and the Chief Financial Officer. No post-employment benefits or other long-term benefits were made during the years ended December 31, 2023 or December 31, 2022. The Company's CFO services contract with JHTJ Group Ltd. was ended on June 17, 2023 and the Convertible Note was paid and extinguished on December 8, 2023. Geremy Connor was hired as CFO in June 2023 and Mr. Connor resigned on October 31, 2023. Short-term key management and director compensation consists of the following:

	December 31, 2023	December 31, 2022
Salaries, bonus, and short-term employment benefits	**$ 657,457**	$ 582,710

SUBSEQUENT EVENTS

The Company continues to work with Salem to resecure the debt or extinguish the debt by refinancing the debt and/or obtaining future financing with other parties. Salem continues to collect monthly interest from the Company and these payments are folded into the Company's 2024 plan. The warrant liability, which was due within 90 days of extinguishment, has not changed and remains at $300,000.

Subsequent to December 31, 2023 the Company awarded options to Management of 1,675,000 on January 11, 2024 at C$0.62 a share with a vesting over two-years and expiry after five years.

A total of 200,000 stock options were exercised at $0.05 CAD for cash proceeds of CAD$10,000.

OFF BALANCE SHEET ARRANGEMENTS

The Company has no material undisclosed off-balance sheet arrangements that have or are reasonably likely to have, a current or future effect on its results of operations, financial condition, revenues or expenses, liquidity, capital expenditures or capital resources that is material to investors.

CRITICAL ACCOUNTING POLICIES AND ESTIMATES

The preparation of these consolidated financial statements in conformity with IFRS requires management to make estimates and assumptions that affect the reported amounts in the financial statements and accompanying notes. Significant management estimates impacting the financial statements include the following:

Convertible note agreement
The Company's convertible note agreement is classified as a liability, with the foreign currency derivative component being measured at fair value. The liability was initially recorded at fair value and subsequently at amortized cost using the effective interest rate method; the liability is accreted to the face value over the term of the convertible note agreement.

Warrant liability
Determining the fair value of the warrant liability requires management to make significant assumptions that are highly uncertain about the Company's fair market value of its equity. Those assumptions could potentially have a material impact on the fair value of the warrant liability. To the extent possible management will engage or utilize third party estimates of the fair market value of Edge's equity whenever possible.

Useful lives of intangible assets
The useful lives of intangible assets including software development costs is a management estimate that impacts the amount of amortization expense recognized. Significant judgement is used to determine the useful life.
The expense in respect of periodic amortization is derived after determining an estimate of an intangible asset's expected useful life. Increasing the expected life would result in reduced amortization charge in the consolidated statements of income and comprehensive income. The useful lives of intangible assets were determined by management at the time of the acquisition by Lotus and subsequently based on expected life when the product is put in use. The lives are based on historical experience with similar assets as well as anticipation of future events which may impact their life such as changes in technology.

Deferred income taxes
Deferred income tax assets and liabilities result from timing differences between the financial reporting and tax bases of assets and liabilities. The determination of deferred income tax assets or liabilities requires subjective assumptions regarding future income tax rates and the likelihood of utilizing tax carry-forwards. Changes in these assumptions could materially affect the recorded amounts and therefore do not necessarily provide certainty as to their recorded values.

Lease liability
In determining the interest rate used, management estimated the Company's incremental borrowing rate at the time of recognition of the lease liability. The estimate was based on management judgment of comparable companies.

Accounting standards issued and adopted during the period
The Company has applied the following new amendments to standards that have been issued and are effective for annual periods beginning on or after January 1, 2023. The Company had no material impact to the consolidated financial statements upon adoption.

IAS 1 Presentation of Financial Statements and IFRS Practice Statement 2 Making Materiality Judgements
Amendments to IAS 1 were incorporated into Part I of the CPA Canada Handbook – Accounting by the Accounting Standards Board (AcSB) in June 2021. The amendments help entities provide accounting policy disclosures that are more useful to primary users of financial statements by:
Replacing the requirement to disclose "significant" accounting policies under IAS 1 with a requirement to disclose "material" accounting policies. Under this, an accounting policy would be material if, when considered together with

other information included in an entity's financial statements, it can reasonably be expected to influence decisions that primary users of general-purpose financial statements make on the basis of those financial statements.
Providing guidance in IFRS Practice Statement 2 to explain and demonstrate the application of the four-step materiality process to accounting policy disclosures.

IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors
Amendments to IAS 8, issued in February 2021, introduces a new definition of "accounting estimates" to replace the definition of "change in accounting estimates" and also include clarification intended to help entities distinguish changes in accounting policies from changes in accounting estimates.

Amendments to IAS 12 Income Taxes
Effective January 1, 2023, amendments to IAS 12 require entities to recognize deferred tax on transactions that, on initial recognition, give rise to equal amounts of taxable and deductible temporary differences.

Amendments to IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors
Effective January 1, 2023, amendments to IAS 8 replace the definition of a change in accounting estimate with a definition of accounting estimates. Under the new definition, accounting estimates are "monetary amounts in financial statements that are subject to measurement uncertainty". The amendments clarify that a change in an accounting estimate that results from new information or new developments is not the correction of an error.

Amendments to IAS 1 Presentation of Financial Statements
Effective January 1, 2023, amendments to IAS 1 require that a company disclose its material accounting policies rather than its significant accounting policies and explain how a company can identify material accounting policies.

Accounting standards issued but not yet effective
The Company assesses the impact of the new or revised IFRS standards on its financial position and financial performance. The Company has reviewed amended accounting pronouncements and determined that the following pronouncements will not have a material impact on its financial statements:

Effective January 1, 2024, amendments to IAS 1 clarify how conditions with which an entity must comply within twelve months after the reporting period affect the classification of a liability with covenants as current or non-current and related disclosure. This amendment is not expected to have a material impact on the financial statements, as the Company has no debt subject to covenants.