

SuperBuzz Inc.
(formerly, Cross Border Capital I Inc.)

Consolidated Financial Statements

For the years ended December 31, 2023 and 2022

(Expressed in United States Dollars)

SUPERBUZZ INC. (formerly, Cross Border Capital I Inc.)

Table of Contents

December 31, 2023

(Expressed in thousands of United States Dollars except for Number of Shares)

Independent Auditor's Report	3
Consolidated Statements of Financial Position	6
Consolidated Statements of Loss and Comprehensive Loss	7
Consolidated Statements of Changes in Equity	8
Consolidated Statements of Cash Flows	9
Notes to the Consolidated Financial Statements	10

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of Superbuzz Inc. (formerly, Cross Border Capital I Inc.)

Opinion

We have audited the consolidated financial statements of Superbuzz Inc. (formerly, Cross Border Capital Inc.) and its subsidiaries (the "Company"), which comprise the consolidated statements of financial position as at December 31, 2023 and 2022, the consolidated statements of loss and comprehensive loss, changes in equity, and cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies (collectively referred to as the "consolidated financial statements").

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, 2023 and 2022, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRS).

Basis for Opinion

We conducted our audit 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 audit 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.

Emphasis of Matter - Material Uncertainty Related to Going Concern

We draw attention to Note 2 to the consolidated financial statements, which indicates that the Company incurred a net loss during the year ended December 31, 2023 and had an accumulated deficit at December 31, 2023. As stated in Note 2, these events or conditions, along with other matters as set forth in Note 2, indicate that material uncertainties exist that cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements for the year ended December 31, 2023. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. In addition to the matter

described in the Emphasis of Matter - Material Uncertainty Related to Going Concern section of our report, we have determined that there are no other key audit matters to communicate in our audit report.

Other Information

Management is responsible for the other information. The other information comprises Management's Discussion and Analysis but does not include the consolidated financial statements and our auditor's report thereon.

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 audit 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 audit, 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, 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 IFRS, 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 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 audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditor's report is Joozer Karimjee.

Bassi & Karimjee LLP

Brampton, Ontario
April 29, 2024

Chartered Professional Accountants
Licensed Public Accountants

SUPERBUZZ INC. (formerly, Cross Border Capital I Inc.)**Consolidated Statements of Financial Position****As at December 31, 2023 and 2022***(Expressed in thousands of United States Dollars except for Number of Shares)*

	Note	December 31, 2023	December 31, 2022
		\$	\$
ASSETS			
<i>Current</i>			
Cash and cash equivalents		2	150
Prepaid and other receivables	21	3	165
Restricted cash	21	4	13
		9	328
Property, plant and equipment	13	4	2
		13	330
LIABILITIES			
<i>Current</i>			
Trade and other payables	14	351	306
Due to related party		466	-
Warrant liability	16(d)	83	83
Shareholder loans	18(b)	308	236
		1,208	625
SHAREHOLDER'S DEFICIENCY			
Share capital	16(b)	6,555	6,551
Additional paid in capital	16(c)	2,773	2,454
Options reserve	16(e)	98	38
Deficit		(10,622)	(9,338)
		(1,195)	(295)
		13	330
GOING CONCERN	2		
SUBSEQUENT EVENT	22		

 Liran Brenner
 Director

 Nahum Segal
 Director

The accompanying notes form an integral part, and should be read in conjunction with, these financial statements.

SUPERBUZZ INC. (formerly, Cross Border Capital I Inc.)
Consolidated Statements of Loss and Comprehensive Loss
For the years ended December 31, 2023 and 2022
(Expressed in thousands of United States Dollars except for Number of Shares)

	Note	2023	2022
		\$	
REVENUES	8	8	-
DIRECT COSTS		-	-
GROSS PROFIT		8	-
EXPENSES			
Selling, general and administrative	10	781	1,267
Research and development	9	354	247
Finance expense (income), net	11	156	74
Transaction costs		-	480
Public listing fee	1(b)	-	1,798
		1,292	3,866
NET LOSS AND COMPREHENSIVE LOSS FOR THE PERIOD		(1,284)	(3,866)
LOSS PER SHARE			
Basic	20	(0.033)	(0.123)
Diluted	20	(0.033)	(0.121)

The accompanying notes form an integral part, and should be read in conjunction with, these financial statements.

SUPERBUZZ INC. (formerly, Cross Border Capital I Inc.)
Consolidated Statements of Changes in Equity
For the years ended December 31, 2023 and 2022
(Expressed in thousands of United States Dollars except for Number of Shares)

	Common shares #	Share capital \$	Additional paid in capital \$	Options reserve \$	Deficit \$	Total shareholders' surplus (deficit) \$
Balance, as at December 31, 2021	27,362,483	4,769	210	-	(5,472)	(493)
Private placement	250,310	66	-	-	-	66
Share-based compensation	-	-	114	38	-	152
Shares issued for services	-	207	-	-	-	207
Redemption of RSUs	980,594	-	-	-	-	-
Common shares issued upon exercise of warrants	300,000	22	-	-	-	22
Effect of reverse takeover transaction	7,029,067	1,487	2,130	-	-	3,617
Net loss and comprehensive loss	-	-	-	-	(3,866)	(3,866)
Balance, as at December 31, 2022	35,922,454	6,551	2,454	38	(9,338)	(295)
Balance, as at December 31, 2022	35,922,454	6,551	2,454	38	(9,338)	(295)
Private placement	3,639,500	-	323	-	-	323
Share-based compensation	-	-	-	60	-	60
Common shares issued upon exercise of options	57,500	4	(4)	-	-	0
Net loss and comprehensive loss	-	-	-	-	(1,284)	(1,284)
Balance, as at December 31, 2023	39,619,454	6,555	2,773	98	(10,622)	(1,195)

The accompanying notes form an integral part, and should be read in conjunction with, these financial statements.

SUPERBUZZ INC. (formerly, Cross Border Capital I Inc.)
Consolidated Statements of Cash Flows
For the years ended December 31, 2023 and 2022
(Expressed in thousands of United States Dollars except for Number of Shares)

	2023	2022
		\$
OPERATING ACTIVITIES		
Net loss and comprehensive loss for the period	(1,284)	(3,866)
<i>Items not affecting cash:</i>		
Depreciation and amortization	1	1
Listing expenses	-	1,798
Share-based compensation	140	370
Change in fair value of warrant liability	0	8
Finance expense	(63)	(78)
	78	2,099
<i>Changes in non-cash working capital:</i>		
Prepaid and other receivables	162	13
Trade receivables	-	6
Due to related party	444	-
Trade and other payables	45	15
	650	34
CASH AND CASH EQUIVALENTS USED IN OPERATING ACTIVITIES	(555)	(1,733)
INVESTING ACTIVITIES		
Change in restricted cash	9	(8)
Purchase of property, plant, and equipment	(2)	(3)
CASH AND CASH EQUIVALENTS USED IN INVESTING ACTIVITIES	7	(11)
FINANCING ACTIVITIES		
Loans from shareholders	72	96
Repayments of promissory notes	-	(262)
Proceeds from private placement	323	80
Proceeds on exercise of options	4	22
Net proceeds from Qualifying Transaction	-	1,947
CASH AND CASH EQUIVALENTS USED IN FINANCING ACTIVITIES	400	1,883
CHANGE IN CASH AND CASH EQUIVALENTS	(148)	139
Cash and cash equivalents, beginning of the year	150	11
Cash and cash equivalents, end of the year	2	150

The accompanying notes form an integral part, and should be read in conjunction with, these financial statements.

1. GENERAL INFORMATION

SuperBuzz Inc. (formerly, Cross Border Capital I Inc.), (the “Company”) is providing a real-time marketing automation platform that increases customer engagement through dynamic push notification campaigns that deliver relevant, personalized messages in micro-moments that matter across mobile and desktop.

The Company was incorporated in Israel in January 2018. The Company's registered head office is located at 63 Levi Eshkol St., Tel-Aviv, Israel, and its common shares are traded on the Canadian Securities Exchange under the symbol “SPZ”.

These consolidated financial statements are presented in United States Dollars, except per share and number of share amounts, and are rounded to the nearest thousand. Foreign operations and their effects are included in accordance with the policies set out in **Note 5(g)(ii)**.

(a) Reverse takeover

On July 15, 2021, Cross Border Capital I Inc. (“CBX”), a capital pool company as defined in in TSX Venture Exchange Policy 2.4 entered into a binding letter of intent (the “LOI”) with Message Notify Ltd. (“MNL”). The letter of intent outlined proposed terms and conditions pursuant to which CBX and MNL would effect a business combination that would result in a reverse takeover of CBX by the shareholders of MNL (the “RTO”).

The Tax Authority of Israel has issued a pre-ruling to the Company that, on successful completion of the Qualifying Transaction, the transaction is not taxable pursuant to provisions of Section 103J of the Ordinance or provisions thereof. The pre-ruling is contingent on full adherence to conditions, consisting substantially of certifications by the Company to not materially alter its nature of operations subsequent to closing the Qualifying Transaction, set forth in the Ordinance and the tax pre-ruling.

In advance of the RTO, MNL split its common shares on the basis of 5.1313:1 and completed a private placement of subscription receipts. Pursuant to the terms of the private placement, each subscription receipt automatically converted into one unit of securities of the MNL, with each unit composed of one ordinary share and one warrant immediately before the exchange of outstanding securities.

Upon closing of the RTO, MNL had 34,641,860 common shares issued and outstanding and 9,382,215 common shares reserved for issuance, comprised of 6,158,420 warrants, 460,000 stock options, and 2,763,795 RSUs.

(b) Effect of reverse takeover transaction

On June 16, 2022, Cross Border Capital I Inc. (“CBX”) completed the RTO with Message Notify Ltd. (“MNL”), whereby MNL acquired all of the issued and outstanding common shares of CBX. The effects of the RTO are described as follows:

1. All of the subscription receipts of MNL converted to MNL units in accordance with their terms, resulting in the issuance of 5,494,740 MNL common shares and 5,494,740 MNL warrants;
2. Immediately prior to completion of the RTO, an additional 1,216,228 MNL common shares were issued upon conversion of the SAFEs (**Note 15(b)**);
3. All of the 29,641,860 MNL common shares outstanding immediately prior to the closing were sold and transferred to the CBX in exchange for the issuance of one CBX common share per MNL common share;
4. Each convertible security of MNL outstanding immediately prior to the closing, including the MNL warrants and MNL RSUs, exclusive of certain finder's RSUs, were exchanged for one comparable convertible security of the Resulting Issuer, and each such convertible security of MNL was cancelled upon exchange;
5. MNL became the wholly-owned subsidiary of the Resulting Issuer, and the Resulting Issuer will carry on the business of MNL;
6. The corporate name of the Resulting Issuer was effected as “SuperBuzz Inc.”.

1. GENERAL INFORMATION (CONT'D)

(b) Effect of reverse takeover transaction (cont'd)

For accounting purposes, the acquisition was considered to be a reverse acquisition under IFRS 3 as the shareholders of MNL obtained control of CBX. However, as CBX does not meet the definition of a business as defined by IFRS 3, it has been accounted for as a share-based payment transaction in accordance with IFRS 2. The accounting for this transaction resulted in the following:

- The consolidated financial statements of the combined entity are issued under the legal parent, CBX, but are considered a continuation of the financial statements of the legal subsidiary, MNL.
- As MNL is deemed to be the acquirer for accounting purposes, its assets and liabilities are included in the consolidated financial statements at their historical carrying values.
- Since the shares allocated to the former shareholders of CBX on closing the RTO is considered within the scope of IFRS 2, and the Company cannot identify specifically some or all of the goods or service received in return for the allocation of the shares, the value in excess of the net identifiable assets or obligations of CBX acquired on closing was expensed in the consolidated statement of loss and comprehensive loss as a listing expense.

Listing expenses for the RTO were relating to deemed value of the shares issued, legal fees, issuance of warrants for consulting services provided, and other related costs, as follows:

	Number	Amount
	#	\$
<i>Consideration</i>		
Common shares	5,000,000	1,547
Options	460,000	118
Warrants	300,000	67
Legal fees incurred as part of the RTO		151
		1,883
<i>Identifiable net assets acquired</i>		
Cash held in trust		154
Prepaid expenses		-
Accounts payable and accrued liabilities		(69)
		85
Listing expense		1,798

This amount was recognized on the consolidated financial statements in profit or loss.

2. GOING CONCERN

These consolidated financial statements have been prepared on a going concern basis, which assumes that the Company will continue in operations for the foreseeable future and will be able to realize its assets and discharge its liabilities in the normal course of business. The realizable values may be substantially different from their carrying values, as shown in these consolidated financial statements. These consolidated financial statements do not affect adjustments that would be necessary to the carrying values and classification of assets and liabilities should the Company be unable to continue as a going concern. Such adjustments could be material.

SUPERBUZZ INC. (formerly, Cross Border Capital I Inc.)
Notes to the Consolidated Financial Statements
For the years ended December 31, 2023 and 2022
(Expressed in thousands of United States Dollars except for Number of Shares)

2. GOING CONCERN (CONT'D)

As at December 31, 2023, the Company had total liabilities in excess of total assets of \$1,195 (December 31, 2022 – \$295) and a cumulative deficit of \$10,622 (December 31, 2022 – \$9,338). The Company has not yet been able to generate positive cash flows from operations. These conditions raise material uncertainties which may cast a significant doubt upon the Company's ability to continue as a going concern. Whether and when the Company can generate sufficient cash flows to pay for its expenditures and settle its obligations as they fall due after December 31, 2023 is uncertain.

To address the going concern risk, the Company continues to seek debt, debentures, convertible debentures, equity financing, or other alternative financing arrangements to support ongoing operations, monitor general and administrative expenses compared to budget, and optimize its operating processes.

3. BASIS OF PREPARATION

(a) Statement of compliance

These consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB). The accounting policies set out below have been applied consistently to both years.

These consolidated financial statements, including their comparative figures, were approved and authorized for issue by the Board of Directors on April 29, 2024.

(b) Basis of consolidation

The consolidated financial statements have been prepared on the historical cost basis, except for the revaluation of certain properties and financial instruments that are measured at revalued amounts or fair values at the end of each reporting period, as explained in the accounting policies below. Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Control is achieved when the Company is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Company controls an investee if and only if the Company has all the following:

- power over the investee.
- exposure, or rights, to variable returns from its involvement with the investee; and
- the ability to use its power over the investee to affect the amount of the investor's returns.

All transactions and balances between the Company and its subsidiaries are eliminated on consolidation, including unrealized gains and losses on transactions between companies.

The Company's material subsidiaries as at December 31, 2023 are as follows:

Name of subsidiary	Country of incorporation	Ownership percentage	Relationship	Functional Currency
Message Notify Ltd.	Israel	100%	Subsidiary	U.S. Dollar
SuperBuzz Inc. (formerly, Cross Border Capital I Inc.)	Canada	N/A	Parent	Canadian Dollar

(c) Functional and presentation currency

These consolidated financial statements are presented in the United States dollars, which is the Company's functional and presentation currency.

3. BASIS OF PREPARATION (CONT'D)

(d) Basis of measurement

The consolidated financial statements have been prepared on the historical cost basis, except for the revaluation of certain properties and financial instruments that are measured at revalued amounts or fair values at the end of each reporting period. Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

4. ADOPTION OF NEW AND REVISED ACCOUNTING STANDARDS

(a) Future accounting pronouncements

At the date of authorization of these consolidated financial statements, the Company has not applied the following new and revised IFRS Standards that have been issued but are not yet effective and, in some cases, had not yet been adopted by the relevant accounting body:

Amendments to IAS 1	<i>Classification of Liabilities as Current or Non-current</i>
Amendments to IAS 8	<i>Definition of Accounting Estimates and Errors</i>
Amendments to IAS 12	<i>Income Taxes</i>

The significant accounting policies used in the preparation of these consolidated financial statements are akin to the significant accounting policies of the Company's annual audited financial statements for the year ended December 31, 2022. The directors do not expect that the adoption of the standards listed above will have a material impact on the financial statements of the Company in future period.

(b) Recently adopted accounting pronouncements

During the period, the entity adopted *IAS 8 — Accounting Policies, Changes in Accounting Estimates and Errors* and *IAS 12 — Income Taxes*. The Company's adoption of these standards did not have a material impact on the consolidated financial statements.

5. SIGNIFICANT ACCOUNTING POLICIES

(a) Revenue recognition

The Company recognizes revenue from the following major sources:

- Enterprise media services
- Software as a service (enterprise and direct sales)

Revenue is measured based on the consideration to which the Company expects to be entitled in a contract with a customer and excludes amounts collected on behalf of third parties. The Company recognizes revenue when it transfers control of a product or service to a customer.

(i) *Enterprise media services*

Under national advertising agreements with advertisers, the Company sources, creates, and places advertising campaigns that run across the Company's network of publisher sites. Advertising revenue, net of third-party costs, is shared with publishers based on their respective contractual agreements. The Company invoices advertising amounts due from advertisers and remits payments to publishers for their share. Depending on the agreement with the publisher, the obligation to remit payment to the publisher is based on either billing to the advertiser or the collection of cash from the advertiser.

5. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(a) Revenue recognition (cont'd)

(i) *Enterprise media services (cont'd)*

Advertising revenue is recognized in the period during which the ad impressions are delivered. The Company reports revenue earned through advertising agreements either on a net or gross basis.

Under advertising agreements wherein, the Company does not bear inventory risk and only has credit risk on its portion of the revenue, national advertising revenues are accounted for on a net basis and the publisher is identified as the customer.

In select advertising agreements with its publishers, the Company takes on inventory risk and additional credit risk. Under these agreements, the Company either (i) provides the publisher with a guaranteed minimum gross selling price per advertising unit delivered, wherein the greater of the actual selling price or guaranteed minimum selling price is used in determining the publisher's share or (ii) provides the publisher with a fixed rate per advertising unit delivered, wherein the publisher is paid the fixed rate per advertising unit delivered irrespective of the actual selling price. Under these advertising agreements, advertising revenues are accounted for on a gross basis with the advertiser identified as the customer and the publisher identified as a supplier, with amounts billed to the advertiser reported as revenue and amounts due to the publisher reported as a revenue sharing expense, within expenses, as the Company has control over the service before it is transferred to the customer.

(ii) *Software-as-a-service (enterprise and direct sales)*

The Company enters into license agreements with customers for its content management system, video software, and mobile applications, data platform and an influencer marketing platform. These license agreements, generally non-cancellable, without paying a termination penalty, and multiyear, provide the customer with the right to use the Company's application solely on a Company-hosted platform or, in certain instances, on purchased encoders. The license agreements also entitle the customer to technical support.

Revenue from these license agreements is recognized rateably over the license term. Early termination fees are recognized when customer ceases use of agreed upon services prior to the expiration of their contract. These fees are recognized in full on the date the customer has completed their migration of the Company's solutions and there is no continuing service obligation to the customer.

The Company charges its customers for the optional use of its content delivery network to stream and store videos. The revenue is recognized as earned based on the actual usage because it has stand-alone value and delivery is in control of the customer. The Company also charges its customers for the use of its ad serving platform to serve ads under local advertising campaigns. The Company reports revenue as earned based on the actual usage.

The Company receives payment from its customers by way of (i) monthly payments for recurring subscriptions to the platform, and (ii) on a monthly basis after delivering the record of digital impressions for advertising to the customer. The Company is not obligated for refunds in its service offerings and does not warrant specific performance or have other customer obligations other than what is described above. Deferred revenue consists of customer advances for Company services to be rendered that will be recognized as income in future periods.

5. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(b) Leases

The Company assesses whether a contract is, or contains, a lease, at inception of the contract. The Company recognizes a right-of-use asset and a corresponding lease liability with respect to all lease arrangements in which it is the lessee, except for short-term leases (defined as leases with a lease term of 12 months or less) and leases of low value assets (such as tablets and personal computers, small items of office furniture and telephones). For these leases, the Company recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the Company uses its incremental borrowing rate.

The incremental borrowing rate depends on the term, currency and start date of the lease and is determined based on a series of inputs including: the risk-free rate based on government bond rates; a country-specific risk adjustment; a credit risk adjustment based on bond yields; and an entity-specific adjustment when the risk profile of the entity that enters into the lease is different to that of the Company and the lease does not benefit from a guarantee from the Company.

Lease payments included in the measurement of the lease liability comprise:

- Fixed lease payments (including in-substance fixed payments), less any lease incentives receivable
- Variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date
- The amount expected to be payable by the lessee under residual value guarantees
- The exercise price of purchase options, if the lessee is reasonably certain to exercise the options
- Payments of penalties for terminating the lease, if the lease term reflects the exercise of an option to terminate the lease

The lease liability is presented as a separate line in the consolidated statements of financial position.

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect the lease payments made.

The Company remeasures the lease liability (and makes a corresponding adjustment to the related right-of-use asset) whenever:

- The lease term has changed or there is a significant event or change in circumstances resulting in a change in the assessment of exercise of a purchase option, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate
- The lease payments change due to changes in an index or rate or a change in expected payment under a guaranteed residual value, in which cases the lease liability is remeasured by discounting the revised lease payments using an unchanged discount rate (unless the lease payments change is due to a change in a floating interest rate, in which case a revised discount rate is used)
- A lease contract is modified and the lease modification is not accounted for as a separate lease, in which case the lease liability is remeasured based on the lease term of the modified lease by discounting the revised lease payments using a revised discount rate at the effective date of the modification

The Company did not make any such adjustments during the periods presented.

The right-of-use assets comprise the initial measurement of the corresponding lease liability, lease payments made at or before the commencement day, less any lease incentives received and any initial direct costs. They are subsequently measured at cost less accumulated depreciation and impairment losses.

5. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(b) Leases (cont'd)

Whenever the Company incurs an obligation for costs to dismantle and remove a leased asset, restore the site on which it is located or restore the underlying asset to the condition required by the terms and conditions of the lease, a provision is recognized and measured under IAS 37. To the extent that the costs relate to a right-of-use asset, the costs are included in the related right-of-use asset, unless those costs are incurred to produce inventories.

Right-of-use assets are depreciated over the shorter period of lease term and useful life of the right-of-use asset. If a lease transfers ownership of the underlying asset or the cost of the right-of-use asset reflects that the Company expects to exercise a purchase option, the related right-of-use asset is depreciated over the useful life of the underlying asset. The depreciation starts at the commencement date of the lease.

The right-of-use assets are presented as a separate line in the consolidated statements of financial position.

The Company applies IAS 36 to determine whether a right-of-use asset is impaired and accounts for any identified impairment loss as described in the 'Property, Plant and Equipment' policy.

Variable rents that do not depend on an index or rate are not included in the measurement the lease liability and the right-of-use asset. The related payments are recognized as an expense in the period in which the event or condition that triggers those payments occurs and are included in the statements of loss and comprehensive loss.

As a practical expedient, IFRS 16 permits a lessee not to separate non-lease components, and instead account for any lease and associated non-lease components as a single arrangement. For contracts that contain a lease component and one or more additional lease or non-lease components, the Company allocates the consideration in the contract to each lease component on the basis of the relative stand-alone price of the lease component and the aggregate stand-alone price of the non-lease components.

The Company has no active leases as of the date of these consolidated financial statements.

(c) Foreign currencies

In preparing the consolidated financial statements of the Company entities, transactions in currencies other than the entity's functional currency (foreign currencies) are recognized at the rates of exchange prevailing on the dates of the transactions. At each reporting date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are translated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences are recognised in profit or loss in the period in which they arise except for:

- Exchange differences on foreign currency borrowings relating to assets under construction for future productive use, which are included in the cost of those assets when they are regarded as an adjustment to interest costs on those foreign currency borrowings
- Exchange differences on transactions entered into to hedge certain foreign currency risks (see below under financial instruments/hedge accounting)
- Exchange differences on monetary items receivable from or payable to a foreign operation for which settlement is neither planned nor likely to occur in the foreseeable future (therefore forming part of the net investment in the foreign operation), which are recognised initially in other comprehensive income and reclassified from equity to profit or loss on disposal or partial disposal of the net investment

Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the closing rate. Exchange differences arising are recognised in other comprehensive income.

5. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(d) Taxation

The income tax expense represents the sum of the tax currently payable and deferred tax.

(i) *Current tax*

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in profit or loss because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

A provision is recognized for those matters for which the tax determination is uncertain, but it is considered probable that there will be a future outflow of funds to a tax authority. The provisions are measured at the best estimate of the amount expected to become payable. The assessment is based on the judgement of tax professionals within the Company supported by previous experience in respect of such activities and in certain cases based on specialist independent tax advice.

(ii) *Deferred tax*

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the consolidated financial statements and the corresponding tax bases used in the computation of taxable profit and is accounted for using the liability method. Deferred tax liabilities are generally recognized for all taxable temporary differences and deferred tax assets are recognized to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilized. Such assets and liabilities are not recognized if the temporary difference arises from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit. In addition, a deferred tax liability is not recognized if the temporary difference arises from the initial recognition of goodwill.

Deferred tax liabilities are recognized for taxable temporary differences, except where the Company is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognized to the extent that it is probable that there will be sufficient taxable profits against which to utilize the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realized based on tax laws and rates that have been enacted or substantively enacted at the reporting date.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

5. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(d) Taxation (cont'd)

(iii) *Current and deferred tax for the year*

Current and deferred tax are recognized in profit or loss, except when they relate to items that are recognized in other comprehensive income or directly in equity, in which case the current and deferred tax are also recognized in other comprehensive income or directly in equity respectively. Where current tax or deferred tax arises from the initial accounting for a business combination, the tax effect is included in the accounting for the business combination.

(e) Property, plant and equipment

Land and buildings held for use in the production or supply of goods or services for rental to others (excluding investment properties), or for administrative purposes, are stated in the consolidated statement of financial position at their revalued amounts, being the fair value at the date of revaluation, less any accumulated depreciation and accumulated impairment losses. Revaluations are performed with sufficient regularity such that the carrying amount does not differ materially from that which would be determined using fair values at the reporting date.

Any revaluation increase arising on the revaluation of such land and buildings is credited to the properties revaluation reserve, except to the extent that it reverses a revaluation decrease for the same asset previously recognized as an expense, in which case the increase is credited to profit or loss to the extent of the decrease previously expensed. A decrease in carrying amount arising on the revaluation of such land and buildings is charged as an expense to the extent that it exceeds the balance, if any, held in the properties revaluation reserve relating to a previous revaluation of that asset.

Depreciation on revalued buildings is recognized in profit or loss. On the subsequent sale or retirement of a revalued property, the attributable revaluation surplus remaining in the properties revaluation reserve is transferred directly to retained earnings.

Properties in the course of construction for production, supply or administrative purposes, or for purposes not yet determined, are carried at cost, less any recognized impairment loss. Cost includes professional fees and, for qualifying assets, borrowing costs capitalized in accordance with the Company's accounting policy. Depreciation of these assets, determined on the same basis as other property assets, commences when the assets are ready for their intended use.

Computers are stated at cost less accumulated depreciation and accumulated impairment loss. Depreciation is recognized so as to write off the cost or valuation of assets (other than freehold land and properties under construction, described above) less their residual values over their useful lives, using the declining balance method, on the following base:

Computers, depreciated at 33% per annum.

The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

Right-of-use assets are depreciated over the shorter period of the lease term and the useful life of the underlying asset. If a lease transfers ownership of the underlying asset or the cost of the right-of-use asset reflects that the Company expects to exercise a purchase option, the related right-of-use asset is depreciated over the useful life of the underlying asset.

An item of property, plant and equipment is derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. The gain or loss arising on the disposal or retirement of an asset is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognized in profit or loss.

5. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(f) Impairment of property, plant and equipment

At each reporting date, the Company reviews the carrying amounts of its property, plant and equipment to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated to determine the extent of the impairment loss (if any). Where the asset does not generate cash flows that are independent from other assets, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest Company of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognized immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease and to the extent that the impairment loss is greater than the related revaluation surplus, the excess impairment loss is recognized in profit or loss.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognized immediately in profit or loss to the extent that it eliminates the impairment loss which has been recognized for the asset in prior years. Any increase in excess of this amount is treated as a revaluation increase.

(g) Financial instruments

Financial assets and financial liabilities are recognized in the Company's statements of financial position when the Company becomes a party to the contractual provisions of the instrument.

Financial assets and financial liabilities are initially measured at fair value, except for trade receivables that do not have a significant financing component which are measured at transaction price. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognized immediately in profit or loss.

(i) *Financial assets*

All regular way purchases or sales of financial assets are recognized and derecognized on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

All recognized financial assets are measured subsequently in their entirety at either amortized cost or fair value, depending on the classification of the financial assets.

5. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(g) Financial instruments (cont'd)

(i) Financial assets (cont'd)

Classification of financial assets

Debt instruments that meet the following conditions are measured subsequently at amortized cost:

- The financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows.
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Debt instruments that meet the following conditions are measured subsequently at fair value through other comprehensive income (FVTOCI):

- The financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling the financial assets.
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

By default, all other financial assets are measured subsequently at fair value through profit or loss (FVTPL).

Despite the foregoing, the Company may make the following irrevocable election / designation at initial recognition of a financial asset:

- The Company may irrevocably elect to present subsequent changes in fair value of an equity investment in other comprehensive income if certain criteria are met.
- The Company may irrevocably designate a debt investment that meets the amortized cost or FVTOCI criteria as measured at FVTPL if doing so eliminates or significantly reduces an accounting mismatch.

Amortized cost and effective interest method

The effective interest method is a method of calculating the amortized cost of a debt instrument and of allocating interest income over the relevant period.

For financial assets other than purchased or originated credit-impaired financial assets (i.e. assets that are credit-impaired on initial recognition), the effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) excluding expected credit losses, through the expected life of the debt instrument, or, where appropriate, a shorter period, to the gross carrying amount of the debt instrument on initial recognition. For purchased or originated credit-impaired financial assets, a credit-adjusted effective interest rate is calculated by discounting the estimated future cash flows, including expected credit losses, to the amortized cost of the debt instrument on initial recognition.

The amortized cost of a financial asset is the amount at which the financial asset is measured at initial recognition minus the principal repayments, plus the cumulative amortization using the effective interest method of any difference between that initial amount and the maturity amount, adjusted for any loss allowance. The gross carrying amount of a financial asset is the amortized cost of a financial asset before adjusting for any loss allowance.

5. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(g) Financial instruments (cont'd)

(i) Financial assets (cont'd)

Amortized cost and effective interest method (cont'd)

Interest income is recognized using the effective interest method for debt instruments measured subsequently at amortized cost and at FVTOCI. For financial assets other than purchased or originated credit-impaired financial assets, interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset, except for financial assets that have subsequently become credit-impaired (see below). For financial assets that have subsequently become credit-impaired, interest income is recognized by applying the effective interest rate to the amortized cost of the financial asset. If, in subsequent reporting periods, the credit risk on the credit-impaired financial instrument improves so that the financial asset is no longer credit-impaired, interest income is recognized by applying the effective interest rate to the gross carrying amount of the financial asset.

For purchased or originated credit-impaired financial assets, the Company recognizes interest income by applying the credit-adjusted effective interest rate to the amortized cost of the financial asset from initial recognition. The calculation does not revert to the gross basis even if the credit risk of the financial asset subsequently improves so that the financial asset is no longer credit-impaired.

Interest income is recognized in profit or loss.

Equity instruments designated as at FVTOCI

On initial recognition, the Company may make an irrevocable election (on an instrument-by-instrument basis) to designate investments in equity instruments as at FVTOCI. Designation at FVTOCI is not permitted if the equity investment is held for trading or if it is contingent consideration recognized by an acquirer in a business combination.

Investments in equity instruments at FVTOCI are initially measured at fair value plus transaction costs. Subsequently, they are measured at fair value with gains and losses arising from changes in fair value recognized in other comprehensive income and accumulated in the investments revaluation reserve. The cumulative gain or loss is not reclassified to profit or loss on disposal of the equity investments, instead, it is transferred to retained earnings.

Dividends on these investments in equity instruments are recognized in profit or loss in accordance with IFRS 9, unless the dividends clearly represent a recovery of part of the cost of the investment.

The Company designated all investments in equity instruments that are not held for trading as at FVTOCI on initial recognition.

A financial asset is held for trading if either:

- It has been acquired principally for the purpose of selling it in the near term.
- On initial recognition it is part of a portfolio of identified financial instruments that the Company manages together and has evidence of a recent actual pattern of short-term profit-taking.
- It is a derivative (except for a derivative that is a financial guarantee contract or a designated and effective hedging instrument).

5. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(g) Financial instruments (cont'd)

(i) Financial assets (cont'd)

Financial assets at FVTPL

Financial assets that do not meet the criteria for being measured at amortized cost or FVTOCI are measured at FVTPL. Specifically:

- Investments in equity instruments are classified as at FVTPL, unless the Company designates an equity investment that is neither held for trading nor a contingent consideration arising from a business combination as at FVTOCI on initial recognition.
- Debt instruments that do not meet the amortized cost criteria or the FVTOCI criteria are classified as at FVTPL. In addition, debt instruments that meet either the amortized cost criteria or the FVTOCI criteria may be designated as at FVTPL upon initial recognition if such designation eliminates or significantly reduces a measurement or recognition inconsistency (so called 'accounting mismatch') that would arise from measuring assets or liabilities or recognizing the gains and losses on them on different bases. The Company has not designated any debt instruments as at FVTPL.

Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any fair value gains or losses recognized in profit or loss to the extent they are not part of a designated hedging relationship. The net gain or loss recognized in profit or loss includes any dividend or interest earned on the financial asset.

Foreign exchange gains and losses

The carrying amount of financial assets that are denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of each reporting period. Specifically:

- For financial assets measured at amortized cost that are not part of a designated hedging relationship, exchange differences are recognized in profit or loss.
- For debt instruments measured at FVTOCI that are not part of a designated hedging relationship, exchange differences on the amortized cost of the debt instrument are recognized in profit or loss. As the foreign currency element recognized in profit or loss is the same as if it was measured at amortized cost, the residual foreign currency element based on the translation of the carrying amount (at fair value) is recognized in other comprehensive income in the investments revaluation reserve.
- For financial assets measured at FVTPL that are not part of a designated hedging relationship, exchange differences are recognized in profit or loss as part of the fair value gain or loss.
- For equity instruments measured at FVTOCI, exchange differences are recognized in other comprehensive income in the investments revaluation reserve.

Impairment of financial assets

The Company recognizes a loss allowance for expected credit losses on investments in debt instruments that are measured at amortized cost or at FVTOCI, lease receivables, trade receivables and contract assets, as well as on financial guarantee contracts. The amount of expected credit losses is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial instrument.

5. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(g) Financial instruments (cont'd)

(i) *Financial assets (cont'd)*

Impairment of financial assets (cont'd)

The Company always recognizes lifetime expected credit losses (ECL) for trade receivables, contract assets and lease receivables. The expected credit losses on these financial assets are estimated using a provision matrix based on the Company's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date, including time value of money where appropriate.

For all other financial instruments, the Company recognizes lifetime ECL when there has been a significant increase in credit risk since initial recognition. However, if the credit risk on the financial instrument has not increased significantly since initial recognition, the Company measures the loss allowance for that financial instrument at an amount equal to 12-month ECL.

Lifetime ECL represents the expected credit losses that will result from all possible default events over the expected life of a financial instrument. In contrast, 12-month ECL represents the portion of lifetime ECL that is expected to result from default events on a financial instrument that are possible within 12 months after the reporting date.

Significant increase in credit risk

In assessing whether the credit risk on a financial instrument has increased significantly since initial recognition, the Company compares the risk of a default occurring on the financial instrument at the reporting date with the risk of a default occurring on the financial instrument at the date of initial recognition. In making this assessment, the Company considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort. Forward-looking information considered includes the future prospects of the industries in which the Company's debtors operate, obtained from economic expert reports, financial analysts, governmental bodies, relevant think-tanks and other similar organizations, as well as consideration of various external sources of actual and forecast economic information that relate to the Company's core operations.

In particular, the following information is taken into account when assessing whether credit risk has increased significantly since initial recognition:

- An actual or expected significant deterioration in the financial instrument's external (if available) or internal credit rating
- Significant deterioration in external market indicators of credit risk for a particular financial instrument, e.g. a significant increase in the credit spread, the credit default swap prices for the debtor, or the length of time or the extent to which the fair value of a financial asset has been less than its amortized cost
- Existing or forecast adverse changes in business, financial or economic conditions that are expected to cause a significant decrease in the debtor's ability to meet its debt obligations
- An actual or expected significant deterioration in the operating results of the debtor
- Significant increases in credit risk on other financial instruments of the same debtor
- An actual or expected significant adverse change in the regulatory, economic, or technological environment of the debtor that results in a significant decrease in the debtor's ability to meet its debt obligations

5. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(g) Financial instruments (cont'd)

(i) *Financial assets (cont'd)*

Impairment of financial assets (cont'd)

Significant increase in credit risk (cont'd)

Irrespective of the outcome of the above assessment, the Company presumes that the credit risk on a financial asset has increased significantly since initial recognition when contractual payments are more than 30 days past due, unless the Company has reasonable and supportable information that demonstrates otherwise.

Despite the foregoing, the Company assumes that the credit risk on a financial instrument has not increased significantly since initial recognition if the financial instrument is determined to have low credit risk at the reporting date. A financial instrument is determined to have low credit risk if:

- The financial instrument has a low risk of default.
- The debtor has a strong capacity to meet its contractual cash flow obligations in the near term.
- Adverse changes in economic and business conditions in the longer term may, but will not necessarily, reduce the ability of the borrower to fulfil its contractual cash flow obligations.

The Company considers a financial asset to have low credit risk when the asset has external credit rating of 'investment grade' in accordance with the globally understood definition or if an external rating is not available, the asset has an internal rating of 'performing'. Performing means that the counterparty has a strong financial position and there are no past due amounts.

For financial guarantee contracts, the date that the Company becomes a party to the irrevocable commitment is considered to be the date of initial recognition for the purposes of assessing the financial instrument for impairment. In assessing whether there has been a significant increase in the credit risk since initial recognition of a financial guarantee contract, the Company considers the changes in the risk that the specified debtor will default on the contract.

The Company regularly monitors the effectiveness of the criteria used to identify whether there has been a significant increase in credit risk and revises them as appropriate to ensure that the criteria are capable of identifying significant increase in credit risk before the amount becomes past due.

Definition of default

The Company considers the following as constituting an event of default for internal credit risk management purposes as historical experience indicates that financial assets that meet either of the following criteria are generally not recoverable:

- When there is a breach of financial covenants by the debtor.
- Information developed internally or obtained from external sources indicates that the debtor is unlikely to pay its creditors, including the Company, in full (without taking into account any collateral held by the Company).

Irrespective of the above analysis, the Company considers that default has occurred when a financial asset is more than 90 days past due unless the Company has reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate.

5. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(g) Financial instruments (cont'd)

(i) *Financial assets (cont'd)*

Impairment of financial assets (cont'd)

Credit-impaired financial assets

A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of that financial asset have occurred. Evidence that a financial asset is credit-impaired includes observable data about the following events:

- Significant financial difficulty of the issuer or the borrower
- A breach of contract, such as a default or past due event
- The lender(s) of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower a concession(s) that the lender(s) would not otherwise consider
- It is becoming probable that the borrower will enter bankruptcy or other financial reorganization
- The disappearance of an active market for that financial asset because of financial difficulties

Write-off policy

The Company writes off a financial asset when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery, e.g. when the debtor has been placed under liquidation or has entered into bankruptcy proceedings, or in the case of trade receivables, when the amounts are over two years past due, whichever occurs sooner. Financial assets written off may still be subject to enforcement activities under the Company's recovery procedures, taking into account legal advice where appropriate. Any recoveries made are recognized in profit or loss.

Measurement and recognition of expected credit losses

The measurement of expected credit losses is a function of the probability of default, loss given default (i.e. the magnitude of the loss if there is a default) and the exposure at default. The assessment of the probability of default and loss given default is based on historical data adjusted by forward-looking information as described above. As for the exposure at default, for financial assets, this is represented by the assets' gross carrying amount at the reporting date; for financial guarantee contracts, the exposure includes the amount of guaranteed debt that has been drawn down as at the reporting date, together with any additional guaranteed amounts expected to be drawn down by the borrower in the future by default date determined based on historical trend, the

Company's understanding of the specific future financing needs of the debtors, and other relevant forward-looking information.

For financial assets, the expected credit loss is estimated as the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the Company expects to receive, discounted at the original effective interest rate. For a lease receivable, the cash flows used for determining the expected credit losses is consistent with the cash flows used in measuring the lease receivable in accordance with IFRS 16.

For a financial guarantee contract, as the Company is required to make payments only in the event of a default by the debtor in accordance with the terms of the instrument that is guaranteed, the expected loss allowance is the expected payments to reimburse the holder for a credit loss that it incurs less any amounts that the Company expects to receive from the holder, the debtor or any other party.

5. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(g) Financial instruments (cont'd)

(i) *Financial assets (cont'd)*

Impairment of financial assets (cont'd)

Measurement and recognition of expected credit losses (cont'd)

If the Company has measured the loss allowance for a financial instrument at an amount equal to lifetime ECL in the previous reporting period, but determines at the current reporting date that the conditions for lifetime ECL are no longer met, the Company measures the loss allowance at an amount equal to 12-month ECL at the current reporting date, except for assets for which the simplified approach was used.

The Company recognizes an impairment gain or loss in profit or loss for all financial instruments with a corresponding adjustment to their carrying amount through a loss allowance account, except for investments in debt instruments that are measured at FVTOCI, for which the loss allowance is recognized in other comprehensive income and accumulated in the investment revaluation reserve, and does not reduce the carrying amount of the financial asset in the statements of financial position.

Derecognition of financial assets

The Company derecognizes a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognizes its retained interest in the asset and an associated liability for amounts it may have to pay. If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognize the financial asset and also recognizes a collateralized borrowing for the proceeds received.

On derecognition of a financial asset measured at amortized cost, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognized in profit or loss. In addition, on derecognition of an investment in a debt instrument classified as at FVTOCI, the cumulative gain or loss previously accumulated in the investments revaluation reserve is reclassified to profit or loss. In contrast, on derecognition of an investment in an equity instrument which the Company has elected on initial recognition to measure at FVTOCI, the cumulative gain or loss previously accumulated in the investments revaluation reserve is not reclassified to profit or loss, but is transferred to retained earnings.

(ii) *Financial liabilities and equity*

Classification as debt or equity

Debt and equity instruments are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company are recognized at the proceeds received, net of direct issue costs.

5. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(g) Financial instruments (cont'd)

(ii) *Financial liabilities and equity (cont'd)*

Equity instruments (cont'd)

Repurchase of the Company's own equity instruments is recognized and deducted directly in equity. No gain or loss is recognized in profit or loss on the purchase, sale, issue or cancellation of the Company's own equity instruments.

Compound instruments

The component parts of convertible loan notes issued by the Company are classified separately as financial liabilities and equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument. A conversion option that will be settled by the exchange of a fixed amount of cash or another financial asset for a fixed number of the Company's own equity instruments is an equity instrument.

At the date of issue, the fair value of the liability component is estimated using the prevailing market interest rate for a similar non-convertible instrument. This amount is recorded as a liability on an amortized cost basis using the effective interest method until extinguished upon conversion or at the instrument's maturity date.

The conversion option classified as equity is determined by deducting the amount of the liability component from the fair value of the compound instrument as a whole. This is recognized and included in equity, net of income tax effects, and is not subsequently remeasured. In addition, the conversion option classified as equity will remain in equity until the conversion option is exercised, in which case the balance recognized in equity will be transferred to share premium. Where the conversion option remains unexercised at the maturity date of the convertible loan note, the balance recognized in equity will be transferred to retained earnings. No gain or loss is recognized in profit or loss upon conversion or expiration of the conversion option.

Transaction costs that relate to the issue of the convertible loan notes are allocated to the liability and equity components in proportion to the allocation of the gross proceeds. Transaction costs relating to the equity component are recognized directly in equity. Transaction costs relating to the liability component are included in the carrying amount of the liability component and are amortized over the lives of the convertible loan notes using the effective interest method.

Financial liabilities

All financial liabilities are measured subsequently at amortized cost using the effective interest method or at FVTPL. However, financial liabilities that arise when a transfer of a financial asset does not qualify for derecognition or when the continuing involvement approach applies, and financial guarantee contracts issued by the Company, are measured in accordance with the specific accounting policies set out below.

5. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(g) Financial instruments (cont'd)

(ii) *Financial liabilities and equity (cont'd)*

Financial liabilities at FVTPL

Financial liabilities are classified as at FVTPL when the financial liability is (i) contingent consideration of an acquirer in a business combination, (ii) held for trading or (iii) it is designated as at FVTPL.

A financial liability is classified as held for trading if either:

- It has been acquired principally for the purpose of repurchasing it in the near term.
- On initial recognition it is part of a portfolio of identified financial instruments that the Company manages together and has a recent actual pattern of short-term profit-taking.
- It is a derivative, except for a derivative that is a financial guarantee contract or a designated and effective hedging instrument.

A financial liability other than a financial liability held for trading or contingent consideration of an acquirer in a business combination may be designated as at FVTPL upon initial recognition if either:

- Such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise.
- The financial liability forms part of a Company of financial assets or financial liabilities or both, which is managed and its performance is evaluated on a fair value basis, in accordance with the Company's documented risk management or investment strategy, and information about the Companying is provided internally on that basis.
- It forms part of a contract containing one or more embedded derivatives, and IFRS 9 permits the entire combined contract to be designated as at FVTPL.

Financial liabilities at FVTPL are measured at fair value, with any gains or losses arising on changes in fair value recognized in profit or loss to the extent that they are not part of a designated hedging relationship. The net gain or loss recognized in profit or loss incorporates any interest paid on the financial liability and is included in profit or loss.

However, for financial liabilities that are designated as at FVTPL, the amount of change in the fair value of the financial liability that is attributable to changes in the credit risk of that liability is recognized in other comprehensive income, unless the recognition of the effects of changes in the liability's credit risk in other comprehensive income would create or enlarge an accounting mismatch in profit or loss. The remaining amount of change in the fair value of liability is recognized in profit or loss. Changes in fair value attributable to a financial liability's credit risk that are recognized in other comprehensive income are not subsequently reclassified to profit or loss; instead, they are transferred to retained earnings upon derecognition of the financial liability.

Gains or losses on financial guarantee contracts issued by the Company that are designated by the Company as at FVTPL are recognized in profit or loss. As at December 31, 2023 and 2022, the Company had no such contracts outstanding.

Financial liabilities measured subsequently at amortized cost

Financial liabilities that are not (i) contingent consideration of an acquirer in a business combination, (ii) held-for trading, or (iii) designated as at FVTPL, are measured subsequently at amortized cost using the effective interest method.

5. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(g) Financial instruments (cont'd)

(ii) *Financial liabilities and equity (cont'd)*

Financial liabilities measured subsequently at amortized cost (cont'd)

The effective interest method is a method of calculating the amortized cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the amortized cost of a financial liability.

Financial guarantee contract liabilities

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payments when due in accordance with the terms of a debt instrument.

Financial guarantee contract liabilities are measured initially at their fair values and, if not designated as at FVTPL and do not arise from a transfer of an asset, are measured subsequently at the higher of:

- The amount of the loss allowance determined in accordance with IFRS 9 (see financial assets above)
- The amount recognized initially less, where appropriate, cumulative amortization recognized in accordance with the revenue recognition policies set out above

Foreign exchange gains and losses

For financial liabilities that are denominated in a foreign currency and are measured at amortized cost at the end of each reporting period, the foreign exchange gains and losses are determined based on the amortized cost of the instruments. These foreign exchange gains and losses are recognized in profit or loss for financial liabilities that are not part of a designated hedging relationship. For those which are designated as a hedging instrument for a hedge of foreign currency risk foreign exchange gains and losses are recognized in other comprehensive income and accumulated in a separate component of equity. The fair value of financial liabilities denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of the reporting period. For financial liabilities that are measured as at FVTPL, the foreign exchange component forms part of the fair value gains or losses and is recognized in profit or loss for financial liabilities that are not part of a designated hedging relationship.

Derecognition of financial liabilities

The Company derecognizes financial liabilities when, and only when, the Company's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability derecognized and the consideration paid and payable is recognized in profit or loss.

5. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(g) Financial instruments (cont'd)

(ii) *Financial liabilities and equity (cont'd)*

Derecognition of financial liabilities (cont'd)

When the Company exchanges with the existing lender one debt instrument into another one with substantially different terms, such exchange is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. Similarly, the Company accounts for substantial modification of terms of an existing liability or part of it as an extinguishment of the original financial liability and the recognition of a new liability. It is assumed that the terms are substantially different if the discounted present value of the cash flows under the new terms, including any fees paid net of any fees received and discounted using the original effective interest rate is at least 10 per cent different from the discounted present value of the remaining cash flows of the original financial liability. If the modification is not substantial, the difference between: (1) the carrying amount of the liability before the modification; and (2) the present value of the cash flows after modification is recognized in profit or loss as the modification gain or loss within other gains and losses.

Classification

The following table outlines the financial assets and liabilities and their classification of those values:

Financial instrument	Classification
<i>Financial assets:</i>	
Cash and cash equivalents	Amortized cost
Prepaid and other receivables	Amortized cost
Trade receivables	Amortized cost
Restricted cash	Amortized cost
<i>Financial liabilities:</i>	
Trade and other payables	Amortized cost
Warrant liability	FVTPL
Promissory notes	FVTPL
Shareholder loans	Amortized cost

(h) Cash and cash equivalents

Cash and cash equivalents comprise cash and short-term bank deposits with an original maturity of three months or less, net of outstanding bank overdrafts. The carrying amount of these assets is approximately equal to their fair value.

(i) Provisions

Provisions are recognized when present (legal or constructive) obligations resulting from a past event will lead to a probable outflow of economic resources, and amounts can be estimated reliably. Provisions are measured at management's best estimate of the 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. The Company performs evaluations to identify onerous contracts and, where applicable, records provisions for such contracts. All provisions are reviewed at each reporting date and adjusted to reflect the current best estimate. In those cases where the possible outflow of economic resources as a result of present obligations is considered remote, no liability is recognized.

5. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(j) Share capital

Common shares are classified as equity. Transaction costs directly attributable to the issue of common shares are recognized as a deduction from equity, net of any tax effects. Dividends thereon are recognized as distributions within equity upon approval of the Company's shareholders.

(k) Share-based compensation

Where equity instruments are granted to employees, they are recorded at the fair value of goods and services received in the statement of loss and comprehensive loss. The fair value is measured at the grant date and recognized over the period during which the options vest. The fair value of options granted is measured using the Black-Scholes option pricing model taking into account the terms and conditions upon which the options were granted. At the end of each reporting period, the amount recognized as an expense is adjusted to reflect the actual number of share options that are expected to vest. When the value of goods and services received in exchange for the share-based payment cannot be reliably estimated, the goods or services received are measured, indirectly, by reference to the fair value of equity instruments granted, measured at the date the Company obtains the goods or the counterparty renders the service.

(l) Loss per share

The basic loss per common share is calculated by dividing net loss by the weighted average number of common shares outstanding during the year. Diluted net loss per common share is calculated by dividing the applicable net loss by the sum of the weighted average number of common shares outstanding and all additional shares that would have been outstanding if potentially dilutive common shares had been issued during the year.

The dilutive effect of shares on net comprehensive loss per share is calculated by determining the proceeds for the exercise of such securities, which are then assumed to be used to purchase common shares of the Company. Instruments that would be anti-dilutive are not included in the calculation of diluted loss per share.

6. CRITICAL ACCOUNTING JUDGMENTS

In applying the Company's accounting policies, which are described in **Note 5**, the directors are required to make judgements (other than those involving estimations) that have a significant impact on the amounts recognised and to make estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The following are the critical judgements, apart from those involving estimations (which are presented separately below), that the directors have made in the process of applying the Company's accounting policies and that have the most significant effect on the amounts recognized in consolidated financial statements.

(a) Business model assessment

Classification and measurement of financial assets depends on the results of solely payments of principal and interest ("SPPI") and the business model test (please see financial assets sections of **Note 5**). The Company determines the business model at a level that reflects how groups of financial assets are managed together to achieve a particular business objective. This assessment includes judgement reflecting all relevant evidence including how the performance of the assets is evaluated and their performance measured, the risks that affect the performance of the assets and how these are managed and how the managers of the assets are compensated.

6. CRITICAL ACCOUNTING JUDGMENTS (CONT'D)

(a) Business model assessment (cont'd)

The Company monitors financial assets measured at amortised cost or fair value through other comprehensive income that are derecognised prior to their maturity to understand the reason for their disposal and whether the reasons are consistent with the objective of the business for which the asset was held. Monitoring is part of the Company's continuous assessment of whether the business model for which the remaining financial assets are held continues to be appropriate and if it is not appropriate whether there has been a change in business model and so a prospective change to the classification of those assets. No such changes were required during the periods presented.

(b) Significant increase in risk

As explained in **Note 5**, ECL are measured as an allowance equal to 12-month ECL for stage 1 assets, or lifetime ECL for stage 2 or stage 3 assets. An asset moves to stage 2 when its credit risk has increased significantly since initial recognition. IFRS 9 does not define what constitutes a significant increase in credit risk. In assessing whether the credit risk of an asset has significantly increased, the Company takes into account qualitative and quantitative reasonable and supportable forward-looking information.

(c) Going concern

The Company applies judgment to determine whether there are material uncertainties that may cast significant doubt on the Company's ability to continue as a going concern (**Note 2**).

(d) Revenue

Presentation of certain revenue transactions on a gross or net basis. No critical estimates are involved in the determination of presentation of certain revenue transactions on a gross or net basis. Whether presentation of certain revenue transactions are on a gross or net basis by consideration of: (i) determination of primary responsibility for fulfilling sales orders, (ii) whether the Company has inventory risk, (iii) whether the Company has latitude in establishing prices, either directly or indirectly.

(e) Provisions and contingencies

The Company may encounter obligations arising from past events, which will only be confirmed by the occurrence or non-occurrence of future events not wholly within the control of the Company or where the obligation cannot be reliably estimated. The Company reviews such situations at each consolidated statement of financial position date and makes judgments on all information available to determine if an outflow of economic resources can be reliably estimated or not. If this is not possible, a contingency is reported for each material case.

(f) Income taxes

The Company applies judgment in determining the tax rates applicable to the temporary differences to determine the provision for income taxes. Deferred taxes relate to temporary differences between accounting and tax asset values. They are measured using tax rates that are expected to apply in the year when the asset is realized, or the liability is settled. Temporary differences are differences between accounting and tax asset values expected to be deductible or taxable in the future.

7. KEY SOURCES OF ESTIMATION UNCERTAINTY

The key assumptions concerning the future, and other key sources of estimation uncertainty at the reporting period that may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are discussed below.

(a) Calculation of loss allowance

When measuring ECL the Group uses reasonable and supportable forward-looking information, which is based on assumptions for the future movement of different economic drivers and how these drivers will affect each other.

Loss given default is an estimate of the loss arising on default. It is based on the difference between the contractual cash flows due and those that the lender would expect to receive, taking into account cash flows from collateral and integral credit enhancements.

Probability of default constitutes a key input in measuring ECL. Probability of default is an estimate of the likelihood of default over a given time horizon, the calculation of which includes historical data, assumptions and expectations of future conditions.

If the ECL rates on trade receivables between 61 and 90 days past due had been 10 per cent higher (lower) as of December 2023, the loss allowance on trade receivables would have been \$3 (2022 – \$3) higher (lower).

If the ECL rates on trade receivables between 31 and 60 days past due had been 10 per cent higher (lower) as of December 2023, the loss allowance on trade receivables would have been \$Nil (2022 – \$Nil) higher (lower).

(b) Fair value measurements and valuation processes

Some of the Company's assets and liabilities are measured at fair value for financial reporting purposes. The Board of Directors of the Company has set up a valuation committee, which is headed up by the Chief Financial Officer of the Company, to determine the appropriate valuation techniques and inputs for fair value measurements.

In estimating the fair value of an asset or a liability, the Company uses market-observable data to the extent it is available. Where Level 1 inputs are not available, the Company engages third party qualified valuers to perform the valuation. The valuation committee works closely with the qualified external valuers to establish the appropriate valuation techniques and inputs to the model. The Chief Financial Officer reports the valuation committee's findings to the board of directors of the Company every quarter to explain the cause of fluctuations in the fair value of the assets and liabilities.

The valuations of private equity investments, contingent consideration in business combinations and nonderivative financial assets held for trading are particularly sensitive to changes in one or more unobservable inputs which are considered reasonably possible within the next financial year.

(c) Share based payments

The Company measures restricted share units granted to employees that vest in specified installments over the service period based on the fair value of each tranche on the grant date by using the Black-Scholes option-pricing model. Based on the Company's estimate of equity instruments that will eventually vest, a compensation expense is recognized over the vesting period applicable to the tranche with a corresponding increase to contributed surplus. Details regarding the determination of the fair value of equity-settled share-based transactions are set out in **Note 16**.

At the end of each reporting period, the Company revises its estimate of the number of equity instruments expected to vest. The impact of the revision of the original estimates, if any, is recognized in profit or loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment in contributed surplus. When the stock options are exercised, share capital is credited by the sum of the consideration paid and the related portion previously recorded in contributed surplus.

SUPERBUZZ INC. (formerly, Cross Border Capital I Inc.)
Notes to the Consolidated Financial Statements
For the years ended December 31, 2023 and 2022
(Expressed in thousands of United States Dollars except for Number of Shares)

8. REVENUES

(a) Disaggregation of revenue

The Company derives its revenue from contracts with customers in the following major product lines. The disclosure of revenue by product line is consistent with the revenue information that is disclosed for each reportable segment.

	2023	2022
	\$	\$
Sales of enterprise media - to corporate customers	-	-
Sales of SaaS - to corporate customers	-	-
Sales of SaaS - direct retail customers	8	-
	8	-

The Company derives its revenue from contracts with customers for the transfer of goods and services over time and at a point in time.

	2023	2022
	\$	\$
Services transferred at a point in time	8	-
Services transferred over time	-	-
	8	-

(b) Unsatisfied performance obligations

The transaction price allocated to partially unsatisfied performance obligations as at December 31, 2023 is \$5 (December 31, 2022 – \$Nil). The Company determines the basis for unsatisfied performance obligations based on the quantum of unsatisfied services, with respect to the contract with its customers, at a particular point in time.

9. RESEARCH AND DEVELOPMENT

	2023	2022
	\$	\$
Developer salaries and wages	273	145
Software and other information technology	73	67
Subcontractors and casual labour	8	35
	354	247

SUPERBUZZ INC. (formerly, Cross Border Capital I Inc.)
Notes to the Consolidated Financial Statements
For the years ended December 31, 2023 and 2022
(Expressed in thousands of United States Dollars except for Number of Shares)

10. SELLING, GENERAL AND ADMINISTRATIVE

	2023	2022
	\$	\$
Professional fees	447	616
Insurance expense	90	73
Office and general	65	79
Share-based payments	60	370
Administrative salaries and wages	58	36
Marketing professional fees	30	65
Media costs	30	22
Change in estimated credit losses	-	5
Depreciation and amortization	1	1
Other	-	-
	781	1,267

11. FINANCE INCOME AND EXPENSE

	2023	2022
	\$	\$
Interest on shareholders and other loans	71	18
Currency translation differences	63	60
Interest and bank charges	23	4
Change in fair value of warrant liability	-	(8)
	156	74

12. OPERATING SEGMENTS

The Company primarily provides a marketing automation platform with dynamic push notifications. In measuring its performance of its revenues, the Company does not distinguish or group its operations on a geographical or any other basis and, accordingly has a single reportable operating segment.

The directors have applied judgment by aggregating its operating segments into one single reportable segment for disclosure purposes. Such judgment considers the nature of the services and an expectation that operating segments within a reportable segment have similar economic characteristics.

The Company's Chief Executive Officer is the chief operating decision maker ("CODM") and regularly reviews The Company's operations and performance on a consolidated basis. The CODM receives reports exclusively on a consolidated basis and the reports are not segregated by revenue stream, given their nature is exclusively digital media advertising, regardless of the nature of the customer. All information technology management personnel and sales managers examine the results of operations on a consolidated basis and report to the CODM under this basis.

SUPERBUZZ INC. (formerly, Cross Border Capital I Inc.)
Notes to the Consolidated Financial Statements
For the years ended December 31, 2023 and 2022
(Expressed in thousands of United States Dollars except for Number of Shares)

13. PROPERTY, PLANT, AND EQUIPMENT

	Total
	\$
Cost	
Balance at December 31, 2022	3
Additions	2
Balance at December 31, 2023	5
Accumulated amortization	
Balance at December 31, 2022	-
Amortization	1
Balance at December 31, 2023	1
Carrying amounts	
At December 31, 2022	2
At December 31, 2023	4

14. TRADE AND OTHER PAYABLES

	December 31, 2023	December 31, 2022
	\$	\$
Trade accounts payable	289	229
Employee-related liabilities	58	61
Other	4	16
	351	306

15. RESTRICTED SHARE UNITS

(a) General

The RSU Plan allows the Company to award restricted share units to officers, employees, directors and consultants of the Company upon such conditions as the Board may establish, including the attainment of performance goals recommended by the Company's compensation committee.

The purchase price for common shares of the Company issuable under each Restricted Share Unit ("RSU") award, if any, shall be established by the Board at its discretion. Common shares issued pursuant to any RSU award may be made subject to vesting conditions based upon the satisfaction of service requirements, conditions, restrictions, time periods or performance goals established by the Board.

The RSUs are recognized as share-based compensation expense over the vesting period, which is generally 3 years.

(b) Activity during the year

There was no activity related to RSUs during the year ended December 31, 2023.

SUPERBUZZ INC. (formerly, Cross Border Capital I Inc.)
Notes to the Consolidated Financial Statements
For the years ended December 31, 2023 and 2022
(Expressed in thousands of United States Dollars except for Number of Shares)

15. RESTRICTED SHARE UNITS (CONT'D)

(c) Issued and outstanding

The Company's outstanding RSUs are as follows:

	2023	2022
Balance, beginning of period	1,089,346	2,353,291
Granted	-	180,563
Cancelled	-	(283,351)
Converted	-	(1,161,157)
Balance, end of period	1,089,346	1,089,346

During the year ended December 31, 2023, share-based compensation expense for the Company's RSUs was \$60 (2022 – \$113).

As at December 31, 2023, a total of 470,669 RSUs (December 31, 2022 – 583,506 RSUs) had vested.

16. SHARE CAPITAL

(a) Authorized

The Company is authorized to issue 51,313,000 common shares.

(b) Issued

	Shares #	Consideration \$
Balance as at December 31, 2021	27,362,483	4,769
Private placement	250,310	66
Shares issued for services	-	207
Redemption of RSUs	980,594	-
Common shares issued upon exercise of warrants	300,000	22
Effect of reverse takeover transaction	7,029,067	1,487
Balance as at December 31, 2022	35,922,454	6,551
Common shares issued upon exercise of options (i)	57,500	4
Private placement (ii)	3,354,166	-
Issuance of shares (ii)	285,334	-
Balance as at December 31, 2023	39,619,454	6,555

- (i) On January 30, 2023, the holders of 57,500 options exercised their right to convert the options into the Company's common shares at a price of \$0.10 CAD per common share for gross proceeds of \$5,750 CAD.
- (ii) In March 2023, there was an additional private placement of 3,354,166 shares and share issuance of 285,334 shares.

SUPERBUZZ INC. (formerly, Cross Border Capital I Inc.)
Notes to the Consolidated Financial Statements
For the years ended December 31, 2023 and 2022
(Expressed in thousands of United States Dollars except for Number of Shares)

16. SHARE CAPITAL (CONT'D)

(c) Additional paid-in capital

	2023	2022
	\$	\$
Balance, beginning of period	2,454	210
Share-based payments	-	114
Change in fair value of warrant liability	(4)	2,130
Private Placement (i)	323	-
	319	2,244
Balance, end of period	2,773	2,454

- (i) In March 2024, the Company issued 3,639,500 units to shareholders for aggregate proceeds of \$436,740, with each unit comprised of one common share and one share unit warrant, and priced at \$0.12 per unit. Each warrant entitles the holder to acquire one common share at an exercise price of \$0.12 per common share until March 23, 2025. The units issued are subjected to contractual restrictions on trading, such that each unit issued is subject to a hold period expiring four months and one day after the closing. None of the securities issued in the offering were registered under the United States Securities Act of 1933, as amended (the "1933 Act"), and none of the units may be offered or sold in the United States absent registration or an applicable exemption from the registration requirements of the 1933 Act.

(d) Warrants

The following table reflects the continuity of the Company's warrants:

	Number	Weighted-average exercise price	Amount
	#	\$	\$
Balance as at December 31, 2021	-	-	-
Granted	6,158,420	0.01	83
Cancelled	-	-	-
Expired	-	-	-
Exercised	(300,000)	0.10	-
Balance, as at December 31, 2022	5,858,420	0.11	83
Granted	-	-	-
Cancelled	-	-	-
Expired	-	-	-
Exercised	-	-	-
Balance, as at December 31, 2023	5,858,420	0.11	83

SUPERBUZZ INC. (formerly, Cross Border Capital I Inc.)
Notes to the Consolidated Financial Statements
For the years ended December 31, 2023 and 2022
(Expressed in thousands of United States Dollars except for Number of Shares)

16. SHARE CAPITAL (CONT'D)

(d) Warrants (cont'd)

The warrant liability has been remeasured to fair value at December 31, 2023 using the Black-Scholes pricing model using the assumptions as follows:

		2023
Fair value	\$	0.0000
Share price	\$	0.0151
Exercise price	\$	0.4537
Expected volatility (weighted-average)		20%
Expected life (weighted-average, in years)		0.46
Expected dividends		-
Risk-free interest rate (based on government bonds)		3.91%

(e) Options

On September 16, 2022, the Company granted incentive stock options pursuant to its Stock Option Plan. Each Option entitles the holder to purchase one common share of the Company at the weighted-average exercise prices and exercise periods listed below, vesting immediately.

Expiry date	Number outstanding	Weighted average exercise price \$	Weighted average remaining contractual life (years) #
22-Dec-30	402,500	0.10	6.98
	402,500	0.10	6.98

The fair value of the options granted during the year was determined using the Black-Scholes pricing model using the assumptions as follows:

		2023
Fair value	\$	0.0305
Share price	\$	0.0151
Exercise price	\$	0.1000
Expected volatility (weighted-average)		20%
Expected life (weighted-average, in years)		6.98
Expected dividends		-
Risk-free interest rate (based on government bonds)		3.91%

SUPERBUZZ INC. (formerly, Cross Border Capital I Inc.)
Notes to the Consolidated Financial Statements
For the years ended December 31, 2023 and 2022
(Expressed in thousands of United States Dollars except for Number of Shares)

16. SHARE CAPITAL (CONT'D)

(e) Options (cont'd)

The following table reflects the continuity of the Company's options:

	Number	Weighted-average	Amount
	#	exercise price	
		\$	\$
Balance as at December 31, 2021		-	-
Balance as at December 31, 2022		460,000	0.10
Granted to key management personnel	Vesting on grant date	-	-
Granted to consultants	Vesting on grant date	-	-
Cancelled	Vesting on grant date	-	-
Exercised	Vesting on grant date	(57,500)	0.10
Outstanding, December 31, 2023		402,500	0.10
Exerciseable, December 31, 2023		402,500	0.10

17. CAPITAL MANAGEMENT AND DEBT

The Company considers its capital to be its shareholders' equity.

As of December 31, 2023, the Company had a shareholders' deficiency of \$1,195 (2022 – \$295). The Company's objective when managing its capital is to seek continuous improvement in the return to its shareholders while maintaining a moderate to high tolerance for risk. The objective is achieved by prudently managing the capital generated through internal growth and profitability, through the use of lower cost capital, including raising share capital or debt when required to fund opportunities as they arise.

The Company does not use ratios in the management of its capital. There have been no changes to management's approach to managing its capital during the years ended December 31, 2023 and 2022.

18. RELATED PARTY TRANSACTIONS

(a) Key management compensation

Key management includes the Company's directors, officers and any consultants with the authority and responsibility for planning, directing and controlling the activities of an entity, directly or indirectly. Compensation awarded to key management includes the following:

	2023	2022
	\$	\$
Total compensation paid to key management	79	196
Share-based payments	45	66
Management fee to a director	79	30
	203	292

Total compensation paid to key management is recorded in salaries and wages in the consolidated statement of loss and comprehensive loss for the years ended December 31, 2023 and 2022.

Amounts due to related parties as at December 31, 2023 with respect to the above fees were \$466 (2022 – \$61). The amounts due to related parties are recorded within accounts payable and accrued liabilities in 2022 on the consolidated statements of loss and comprehensive loss; in 2023 they are recorded in due to related party. These amounts are unsecured, non-interest bearing and due on demand.

18. RELATED PARTY TRANSACTIONS (CONT'D)

(b) Shareholder loans

As at December 31, 2023, the Company has a number of shareholder loans that bear interest between 10% and 18% and are considered payable within 12 months of the current year end.

Subsequent to the year, management has considered to convert part of these loans and issue them as shares as part of a debt settlement.

Interest expense accrued on these shareholder loans as at December 31, 2023 was \$71 (2022 – \$3).

19. INCOME TAXES

The Company had no income tax expense or benefit for the year ended December 31, 2023.

(a) Reconciliation of the effective tax rate

	2023	2022
	\$	\$
Loss before income taxes	(1,284)	(3,866)
Statutory income tax rate	23%	23%
Expected income tax benefit	(295)	(889)
Reconciling items:		
Stock-based compensation and other non-deductible expenses	137	413
Deferred tax assets not recognized	158	476
Income tax expense	-	-

(b) Deferred income taxes

As of December 31, 2023, the Company has estimated carry forward tax losses of \$3,312 which may be carried forward and offset against taxable income for an indefinite period in the future, provided the availability of taxable income.

Deferred tax assets have not been recognized in respect to these items because it cannot be determined as probable that future taxable profit will be available against which the Company can utilize the benefits therefrom.

20. LOSS PER SHARE

Basic loss per share is calculated using the weighted-average number of common shares outstanding during each year. Diluted loss per share assumes the conversion, exercise or issuance of all potential common share equivalents unless the effect is to reduce the loss or increase the income per share.

For purposes of this calculation, stock options, warrants and RSU's are considered to be potential common shares and are only included in the calculation of diluted loss per share when their effect is dilutive.

Due to the net loss incurred during the years ended December 31, 2023, and 2022, all outstanding options, RSU's and warrants were excluded from diluted weighted-average common shares outstanding as their effect was anti-dilutive.

SUPERBUZZ INC. (formerly, Cross Border Capital I Inc.)
Notes to the Consolidated Financial Statements
For the years ended December 31, 2023 and 2022
(Expressed in thousands of United States Dollars except for Number of Shares)

20. LOSS PER SHARE (CONT'D)

	2023	2022
	\$	\$
Net loss attributable to shareholders	(1,284)	(3,866)
Weighted-average common shares outstanding:		
Basic	39,217,173	31,377,322
Dilutive effect of options	-	460,000
Dilutive effect of warrants	-	-
Dilutive effect of RSUs	-	-
Diluted	39,217,173	31,837,322
Net loss per share attributable to shareholders:		
Basic	(0.033)	(0.123)
Diluted	(0.033)	(0.121)

Weighted average common shares outstanding for the years ended December 31, 2023, and 2022 were 39,217,173 and 31,377,322, respectively.

21. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

(a) Financial risk management objectives and policies

The Company's activities expose it to a variety of financial risks including foreign currency risk, interest rate risk, credit risk, and liquidity risk. These financial instrument risks are actively managed by the Company under the policies approved by the Board of Directors. On an ongoing basis, the finance department actively manages market conditions with a view to minimizing the exposure of the Company to changing market factors, while at the same time limiting the funding costs to the Company.

(b) Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Company. The Company has adopted a policy of only dealing with creditworthy counterparties and obtaining sufficient collateral where appropriate, as a means of mitigating the risk of financial loss from defaults. The Company uses information supplied by independent rating agencies where available, and if not available, the Company uses other publicly available financial information and its own records to rate its customers. Credit risk arises from cash with banks as well as credit exposure to outstanding receivables. The carrying amounts represent the Company's maximum exposure to credit risk.

The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. The Company establishes an allowance for doubtful accounts that represents its estimate of expected losses in respect to accounts receivable. The main components of this allowance are a specific loss component that relates to individually significant exposures, and a collective loss component established for groups of similar assets in respect of losses that have been incurred but not yet identified. The collective loss allowance is determined based on historical data of payment statistics for similar financial assets. The allowance for doubtful accounts was \$1 and \$6 as of December 31, 2023, and 2022, respectively.

The Company's accounts receivable are concentrated among customers in the media and broadcasting industry, which may be affected by adverse economic factors impacting that industry. The Company performs ongoing credit evaluations of its major customers, maintains reserves for expected credit losses, and does not require any collateral deposits.

SUPERBUZZ INC. (formerly, Cross Border Capital I Inc.)
Notes to the Consolidated Financial Statements
For the years ended December 31, 2023 and 2022
(Expressed in thousands of United States Dollars except for Number of Shares)

21. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (CONT'D)

(b) Credit risk (cont'd)

The below tables reflect the aging of the Company's aging by invoice date of gross trade accounts receivable and allowance for doubtful accounts as of December 31, 2023, and December 31, 2022, respectively:

December 31, 2023	0-30	31-60	61-90	91+	Total
	\$	\$	\$	\$	\$
Other receivables	-	-	-	3	3
Trade receivables	-	-	-	-	-
	-	-	-	3	3
Allowance for doubtful accounts	-	-	-	-	-
% allowance	0%	0%	0%	0%	0%

December 31, 2022	0-30	31-60	61-90	91+	Total
	\$	\$	\$	\$	\$
Other receivables	-	-	-	129	129
Trade receivables	-	-	-	6	6
	-	-	-	135	135
Allowance for doubtful accounts	-	-	-	(6)	(6)
% allowance	0%	0%	0%	4%	4%

The Company's continuity of expected credit losses is as follows:

	2023	2022
	\$	\$
Opening balance of expected credit losses	6	6
Recognition of expected credit losses	(6)	-
	-	6

(c) Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting obligations associated with financial liabilities. The Company is exposed to liquidity risk with respect to its contractual obligations and financial liabilities. The Company manages liquidity risk by continuously monitoring forecasted and actual cash flows and matching maturity profiles of financial assets and liabilities. The Company seeks to ensure that it has sufficient capital to meet short term financial obligations after taking into account its operating obligations and cash on hand.

The Company's policy is to seek to ensure adequate funding is available from operations and other sources, including debt and equity capital markets, as required.

The following tables detail the Company's remaining contractual maturity for its financial liabilities. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Company can be required to pay.

	< 1 year	1-2 years	2-5 years
	\$	\$	\$
Trade and other payables	351	-	-
Shareholder loans	308	-	-
	659	-	-

SUPERBUZZ INC. (formerly, Cross Border Capital I Inc.)
Notes to the Consolidated Financial Statements
For the years ended December 31, 2023 and 2022
(Expressed in thousands of United States Dollars except for Number of Shares)

21. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (CONT'D)

(d) Interest rate risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company is exposed to fair value risk with respect to debt which bears interest at fixed rates.

(e) Foreign exchange rates

The Company's exposure to the risk of changes in foreign exchange rates relates primarily to fluctuations of financial instruments related to cash, accounts and other receivables, debt and accounts payable denominated in foreign currencies.

(f) Fair value hierarchy

The following tables combine information about:

- classes of financial instruments based on their nature and characteristics;
- the carrying amounts of financial instruments;
- fair values of financial instruments (except financial instruments when carrying amount approximates their fair value); and
- fair value hierarchy levels of financial assets and financial liabilities for which fair value was disclosed.

The Company categorizes its financial assets and liabilities measured at fair value into one of three different levels depending on the observability of the inputs used in the measurement.

- **Level 1:** This level includes assets and liabilities measured at fair value based on unadjusted quoted prices for identical assets and liabilities in active markets that are accessible at the measurement date.
- **Level 2:** This level includes valuations determined using directly or indirectly observable inputs other than quoted prices included within Level 1.
- **Level 3:** This level includes valuations based on inputs which are unobservable.

As at December 31, 2023:

	FVTPL - mandatorily measured	FVOCI - mandatorily measured	FVOCI - designated	Amortized cost
	\$	\$	\$	\$
<u>Financial assets:</u>				
Cash and cash equivalents	-	-	-	2
Other receivables	-	-	-	3
Restricted cash	-	-	-	4
Carrying value at December 31, 2023	-	-	-	9

	FVTPL - mandatorily measured	FVTPL - designated	Amortized cost
	\$	\$	\$
<u>Financial liabilities:</u>			
Trade and other payables	-	-	351
Due to related party	-	-	466
Warrant liability	83	-	-
Shareholder loans	-	-	308
Carrying value at December 31, 2023	83	-	1,125

SUPERBUZZ INC. (formerly, Cross Border Capital I Inc.)
Notes to the Consolidated Financial Statements
For the years ended December 31, 2023 and 2022
(Expressed in thousands of United States Dollars except for Number of Shares)

21. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (CONT'D)

(f) Fair value hierarchy (cont'd)

As at December 31, 2022:

	FVTPL - mandatorily measured	FVOCI - mandatorily measured	FVOCI - designated	Amortized cost
	\$	\$	\$	\$
<u>Financial assets:</u>				
Cash and cash equivalents	-	-	-	150
Other receivables	-	-	-	129
Restricted cash	-	-	-	13
Carrying value at December 31, 2022	-	-	-	292

	FVTPL - mandatorily measured	FVTPL - designated	Amortized cost
	\$	\$	\$
<u>Financial liabilities:</u>			
Trade and other payables	-	-	306
Warrant liability	83	-	-
Shareholder loans	-	-	236
Carrying value at December 31, 2022	83	-	542

A summary of instruments, with their classification in the fair value hierarchy is as follows:

	Level	31-Dec-23 Carrying	31-Dec-23 Fair value
Trade and other payables	Level 1	351	351
Warrant liability	Level 3	83	83
Shareholder loans	Level 1	646	646

21. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (cont'd)

(f) Fair value hierarchy (cont'd)

The Company's inputs considered in its Level 3 classification of warrant liability are as follows:

Valuation technique	Key inputs	Relationship and sensitivity of unobservable inputs to fair value
The fair value of the warrant liability as of December 31, 2023 has been calculated using a Black-Scholes model.	The fair value of common shares of the Company. The price at which warrants can be exercised. The volatility rate calculated using historical weighted moving average. The Company's expected dividends to be paid of to common shareholders. The risk-free rate based on government bond yield. Other inputs as disclosed in Note 13.	The estimated fair value would increase (decrease) if: The share price of the Company was higher (lower) The strike price of the Company was lower (higher) The term to maturity, in years, was lower (higher) The measure of stock price volatility was lower (higher)
The fair value of the warrant liability as of December 31, 2022 has been calculated using a Black-Scholes model.	The fair value of common shares of the Company. The price at which warrants can be exercised. The volatility rate calculated using historical weighted moving average. The Company's expected dividends to be paid of to common shareholders. The risk-free rate based on government bond yield. Other inputs as disclosed in Note 13.	The estimated fair value would increase (decrease) if: The share price of the Company was higher (lower) The strike price of the Company was lower (higher) The term to maturity, in years, was lower (higher) The measure of stock price volatility was lower (higher)

22. SUBSEQUENT EVENTS

(a) Conversion and repayment of shareholder loans

In March 2024, \$756,734.10 of shareholder loans, including accrued interest, was converted to 32,555,834 units of one warrant (exercisable at \$0.05) and one common share, and an additional 1,380,000 common shares.