

THINKIFIC LABS INC.

Condensed Interim Consolidated Financial Statements

For the three and six months ended June 30, 2021 and 2020
(expressed in U.S. dollars)

THINKIFIC LABS INC.

Condensed Interim Consolidated Statements of Financial Position (unaudited)

(expressed in U.S. dollars)

		June 30, 2021	December 31, 2020
	Notes	\$	\$
Assets			
Current assets			
Cash and cash equivalents		141,527,324	9,066,016
Trade and other receivables	7	931,376	806,687
Prepaid expenses and other assets		2,238,961	572,684
Investment tax credits	6	1,138,932	915,413
Contract acquisition assets	9	77,152	—
Total current assets		145,913,745	11,360,800
Property and equipment	8	373,246	407,268
Lease right-of-use assets	10	961,144	1,167,969
Contract acquisition assets	9	216,644	—
Intangible assets		102,473	—
Total assets		147,567,252	12,936,037
Liabilities and Shareholders' Equity			
Current liabilities			
Accounts payable and accrued liabilities	11	1,544,127	1,498,163
Lease liabilities	10	516,574	492,611
Deferred revenue	3	5,721,894	4,767,614
Total current liabilities		7,782,595	6,758,388
Lease liabilities	10	631,082	868,473
Total liabilities		8,413,677	7,626,861
Shareholders' equity			
Share capital	14	145,475,728	6,702,059
Contributed surplus		2,436,687	1,067,037
Accumulated other comprehensive loss		(38,113)	(38,113)
Accumulated deficit		(8,720,727)	(2,421,807)
Total shareholders' equity		139,153,575	5,309,176
Total liabilities and shareholders' equity		147,567,252	12,936,037
Commitments	12		

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

THINKIFIC LABS INC.

Condensed Interim Consolidated Statements of Loss and Comprehensive Loss (unaudited)

(expressed in U.S. dollars)

		Three months ended June 30,		Six months ended June 30,	
		2021	2020	2021	2020
	Notes	\$	\$	\$	\$
Revenue	3, 18	9,127,936	4,546,640	17,431,210	7,844,833
Cost of revenue	4, 5	2,147,939	1,028,552	3,816,726	1,714,252
Gross profit		6,979,997	3,518,088	13,614,484	6,130,581
Operating expenses					
Sales and marketing	5, 9	4,558,608	1,691,323	7,657,762	2,840,370
Research and development	5, 6	4,565,565	1,407,841	7,100,922	2,480,296
General and administrative	5, 8	3,160,433	923,892	5,138,604	1,587,530
Total operating expenses		12,284,606	4,023,056	19,897,288	6,908,196
Operating loss		(5,304,609)	(504,968)	(6,282,804)	(777,615)
Other income (expenses)					
Foreign exchange gain (loss)		(58,958)	126,476	(56,011)	(19,302)
Finance income (expense)		50,300	(7,574)	39,895	(8,492)
Total other income (expenses)		(8,658)	118,902	(16,116)	(27,794)
Net loss and comprehensive loss		(5,313,267)	(386,066)	(6,298,920)	(805,409)
Loss per share					
Basic and diluted	15	\$ (0.11)	\$ (0.01)	\$ (0.14)	\$ (0.02)

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

THINKIFIC LABS INC.

Condensed Interim Consolidated Statements of Cash Flows (unaudited)

(expressed in U.S. dollars)

	Notes	Six months ended June 30,	
		2021	2020
		\$	\$
Cash from (used in):			
Operating activities			
Net loss		(6,298,920)	(805,409)
Items not affecting cash and cash equivalents:			
Depreciation	8, 10	284,317	207,845
Stock-based compensation	5, 16	1,405,659	205,450
Unrealized foreign exchange loss (gain)		81,958	(207,996)
Finance expense		20,738	21,297
Changes in non-cash working capital:			
Trade and other receivables	7	(124,689)	(276,195)
Prepaid expenses and other assets		(1,762,435)	(187,128)
Investment tax credits, net	6	(242,311)	245,959
Contract acquisition assets	9	(293,796)	—
Accounts payable and accrued liabilities	11	85,388	585,547
Deferred revenue	3	954,280	1,288,505
Cash from (used in) operating activities		(5,889,811)	1,077,875
Investing activities			
Investment in property and equipment	8	(41,283)	(163,908)
Investment in intangible assets		(104,660)	—
Cash used in investing activities		(145,943)	(163,908)
Financing activities			
Proceeds from issuance of shares upon IPO	14	148,616,696	—
Share issuance costs	14	(9,829,901)	—
Operating lease payments	10	(265,362)	(208,295)
Exercise of equity compensation units	16	7,599	5,152
Cash from (used in) financing activities		138,529,032	(203,143)
Effect of foreign exchange on cash and cash equivalents		(31,970)	129,832
Increase in cash and cash equivalents		132,461,308	840,656
Cash and cash equivalents, beginning of period		9,066,016	3,691,875
Cash and cash equivalents, end of period		141,527,324	4,532,531

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

THINKIFIC LABS INC.

Condensed Interim Consolidated Statements of Changes in Equity (unaudited)

(expressed in U.S. dollars)

	Notes	Issued and outstanding		Contributed surplus	Accumulated other comprehensive income	Accumulated deficit	Total
		Number of Shares	Share capital				
			\$	\$	\$	\$	\$
Balance as at December 31, 2019		59,550,436	2,290,055	506,749	(38,113)	(1,128,720)	1,629,971
Net loss and comprehensive loss		—	—	—	—	(805,409)	(805,409)
Exercise of equity compensation units	16	398,704	24,816	(19,664)	—	—	5,152
Stock-based compensation	5, 16	—	—	205,450	—	—	205,450
Balance as at June 30, 2020		59,949,140	2,314,871	692,535	(38,113)	(1,934,129)	1,035,164
Balance as at December 31, 2020		62,527,564	6,702,059	1,067,037	(38,113)	(2,421,807)	5,309,176
Net loss and comprehensive loss		—	—	—	—	(6,298,920)	(6,298,920)
Issuance of shares upon IPO, net of share issuance costs	14	14,156,500	138,755,085	—	—	—	138,755,085
Exercise of equity compensation units	16	21,183	18,584	(10,985)	—	—	7,599
Stock-based compensation	5, 16	—	—	1,380,635	—	—	1,380,635
Balance as at June 30, 2021		76,705,247	145,475,728	2,436,687	(38,113)	(8,720,727)	139,153,575

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

THINKIFIC LABS INC.

Notes to the Condensed Interim Consolidated Financial Statements (unaudited)

As at and for the three and six months ended June 30, 2021 and 2020

1. Organization and nature of operations

Thinkific Labs Inc. ("Thinkific" or the "Company") was incorporated on April 11, 2012 under the laws of British Columbia. Its head office is located at 400 - 369 Terminal Avenue, Vancouver, British Columbia, Canada.

The Company's primary business activity is to provide a platform that helps entrepreneurs and established businesses to start and grow their companies by creating and selling online courses and memberships. The Company's platform provides its customers with the critical functionalities they need to create customized online courses and membership sites, market and sell those products to drive revenue, and deliver and engage with their students.

Pursuant to an initial public offering ("IPO") on April 27, 2021, the Company's shares became publicly traded on the Toronto Stock Exchange ("TSX") under the symbol "THNC".

2. Basis of preparation

Statement of compliance

These condensed interim consolidated financial statements (the "interim financial statements") have been prepared in accordance with International Financial Reporting Standards ("IFRS") applicable to the preparation of interim financial statements, including International Accounting Standard ("IAS") 34 - *Interim Financial Reporting*, as issued by the International Accounting Standards Board ("IASB"). Other than as disclosed in the interim financial statements, these interim financial statements have been prepared using the same accounting policies and methods as those used in the Company's audited consolidated financial statements as at and for the year ended December 31, 2020 (the "annual financial statements"). These interim financial statements are condensed as they do not include all of the information required by IFRS for annual financial statements and should therefore be read in conjunction with the Company's annual financial statements. The Company's functional currency is the U.S. dollar and all amounts are reported in U.S. dollars unless otherwise noted. References to "CAD" refer to Canadian dollars. Certain comparative amounts have been reclassified to conform to current period presentation.

The operations of the Company can be seasonal, and the results of operations for any interim period are not necessarily indicative of operations for the full fiscal year or any future period.

On April 23, 2021, the Company effected a 4-for-1 split of each of its outstanding multiple voting shares of the Company (the "Multiple Voting Shares") and subordinate voting shares of the Company (the "Subordinate Voting Shares") (the "Share Split"). All share and per share data presented in the interim financial statements have been retroactively adjusted to reflect the Share Split. Refer to Note 14 for additional information.

These interim financial statements were approved for issue by the Company's Board of Directors on August 10, 2021.

Use of judgments and estimates

The preparation of these interim financial statements in conformity with IFRS requires management to make estimates and assumptions that affect the amounts reported in the interim financial statements and accompanying notes. Management reviews its estimates on an ongoing basis based on management's best knowledge of current events and actions that the Company may undertake in the future. Actual results could differ from those estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to estimates are recognized prospectively.

In preparing these interim financial statements, the significant judgments made by management in applying the Company's accounting policies and the key sources of uncertainty are the same as those applied and described in the Company's annual financial statements.

THINKIFIC LABS INC.

Notes to the Condensed Interim Consolidated Financial Statements (unaudited)

As at and for the three and six months ended June 30, 2021 and 2020

3. Revenue from contracts with customers

The Company's revenue from contracts with customers is comprised of software subscriptions.

Contract liabilities

As at June 30, 2021, the Company has deferred revenue of \$5,721,894 (December 31, 2020 - \$4,767,614).

For the three and six months ended June 30, 2021, \$5,390,571 and \$10,244,413 of deferred revenue was recognized in the condensed interim consolidated statements of loss and comprehensive loss, respectively (three and six months ended June 30, 2020 - \$2,523,708 and \$4,455,757, respectively).

4. Cost of revenue

	Three months ended June 30,		Six months ended June 30,	
	2021	2020	2021	2020
	\$	\$	\$	\$
Support	1,061,334	335,143	1,777,034	570,511
Hosting	661,496	511,037	1,252,814	830,454
Payment processing	338,063	143,978	602,754	248,230
Software	87,046	38,394	184,124	65,057
	2,147,939	1,028,552	3,816,726	1,714,252

5. Employee compensation

Employee compensation is primarily comprised of salaries and benefits and stock-based compensation expense. Excluding tax credits, total employee compensation for the three and six months ended June 30, 2021 was \$8,100,225 and \$13,624,660, respectively (three and six months ended June 30, 2020 - \$2,967,991 and \$5,191,211, respectively).

Stock-based compensation expense (Note 16) for the three and six months ended June 30, 2021 and 2020 was included in the following expense categories:

	Three months ended June 30,		Six months ended June 30,	
	2021	2020	2021	2020
	\$	\$	\$	\$
Cost of revenue	199,514	11,336	239,099	18,845
Sales and marketing	204,260	30,884	249,490	59,081
Research and development	462,742	34,128	556,934	51,982
General and administrative	279,799	48,003	360,136	75,542
	1,146,315	124,351	1,405,659	205,450

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Notes to the Condensed Interim Consolidated Financial Statements (unaudited)

As at and for the three and six months ended June 30, 2021 and 2020

6. Government assistance

Prior to the Company's IPO on April 27, 2021 (Note 14), the Company recognized government assistance, including refundable investment tax credits, as a reduction to research and development expenses. As a publicly-traded company, the Company is no longer eligible to receive refundable tax credits, and research and development expenses are no longer reduced by refundable research and development investment tax credits. The Company remains eligible for non-refundable investment tax credits that can be claimed against income taxes otherwise payable, and are recognized as a reduction of income taxes when there is reasonable assurance that the claim will be recovered.

As at June 30, 2021, the investment tax credits balance of \$1,138,932 represents refundable investment tax credits receivable (December 31, 2020 - \$915,413). As at June 30, 2021, the Company's investment tax credits balance did not include any amounts for non-refundable investment tax credits (December 31, 2020 - nil).

7. Trade and other receivables

	June 30, 2021	December 31, 2020
	\$	\$
Trade receivables	878,704	782,653
Other receivables	52,672	24,034
	931,376	806,687

Due to the Company's large customer base, there is no concentration of credit risk related to the Company's trade receivables. As at June 30, 2021, the Company's trade and other receivables balance included an allowance for credit loss of nil.

8. Property and equipment

Property and equipment consists of computer equipment, film and audio equipment, office furniture, and leasehold improvements. Depreciation of property and equipment is included in general and administrative expenses.

During the six months ended June 30, 2021, the Company capitalized additions of \$41,283 (six months ended June 30, 2020 - \$163,908) to property and equipment. During the three and six months ended June 30, 2021, the Company recognized depreciation expense of \$38,036 and \$75,305, respectively (three and six months ended June 30, 2020 - \$13,142 and \$24,337, respectively).

THINKIFIC LABS INC.

Notes to the Condensed Interim Consolidated Financial Statements (unaudited)

As at and for the three and six months ended June 30, 2021 and 2020

9. Contract acquisition assets

The Company capitalizes the incremental costs of obtaining sales contracts as contract acquisition assets. These costs consist of sales commissions paid to the Company's sales force, as well as employee incentive payouts under compensation plans that are tied to the value of contracts acquired. Contract acquisition assets are generally amortized on a straight-line basis commensurate with the average term of the related contracts, however, the Company applies a practical expedient to expense costs as incurred for contracts with a term of one year or less. Amortization of contract acquisition assets is included in sales and marketing expenses.

During the six months ended June 30, 2021, the Company capitalized \$308,643 of contract acquisition assets (six months ended June 30, 2020 - nil). During the three and six months ended June 30, 2021, the Company recognized amortization expense of \$12,385 and \$14,847, respectively (three and six months ended June 30, 2020 - nil).

10. Leases

The Company leases office space under non-cancellable operating lease agreements. As at June 30, 2021, the expected remaining lease terms are between two and four years. The Company does not currently act in the capacity of a lessor. Depreciation of right-of-use assets is included in general and administrative expenses.

During the three and six months ended June 30, 2021, the Company recognized depreciation expense of \$103,412 and \$206,825, respectively, on lease right-of-use assets (three and six months ended June 30, 2020 - \$103,413 and \$183,508, respectively).

A summary of the movement in lease liabilities is presented below:

	<u>\$</u>
As at December 31, 2019	995,370
Additions	699,531
Leasehold inducements	47,895
Lease payments	(447,630)
Interest expense	44,450
Foreign exchange loss	21,468
As at December 31, 2020	1,361,084
Lease payments	(265,362)
Interest expense	20,738
Foreign exchange loss	31,196
As at June 30, 2021	1,147,656

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Notes to the Condensed Interim Consolidated Financial Statements (unaudited)

As at and for the three and six months ended June 30, 2021 and 2020

11. Accounts payable and accrued liabilities

	June 30, 2021	December 31, 2020
	\$	\$
Trade payables	803,146	369,446
Accrued liabilities	386,252	327,260
Accrued compensation and benefits and associated taxes	268,565	330,519
Accrued sales tax payable	86,164	470,938
	1,544,127	1,498,163

12. Commitments

A summary of the Company's contractual obligations and commitments as at June 30, 2021 is presented below:

	Liabilities due by period			
	< 1 year	2 - 3 years	4 - 5 years	Total
Operating lease obligations	537,936	532,915	110,244	1,181,095
Software commitments	1,440,000	2,745,000	—	4,185,000
	1,977,936	3,277,915	110,244	5,366,095

13. Related party transactions

Parties related to the Company include shareholders Greg Smith, Matthew Smith, the Rhino Group Permitted Holders (which consists of Vancouver Founder Fund Limited Partnership, VFF II Limited Partnership, Rhino Co-Invest 1 Limited Partnership, Vancouver Founder Fund (VCC) Inc, Rhino Co-Invest 2 Limited Partnership, and any other affiliated fund) (the "Principal Shareholders"), Alpha Score Seminars Inc., an entity co-owned by Greg Smith and Matthew Smith, and key management personnel of the Company. Key management personnel includes members of the Company's senior management and the Board of Directors.

Key management personnel compensation for the three and six months ended June 30, 2021 and 2020 was as follows:

	Three months ended June 30,		Six months ended June 30,	
	2021	2020	2021	2020
	\$	\$	\$	\$
Salaries and benefits	330,558	203,742	601,452	354,362
Share-based payments	135,515	47,676	203,594	80,763
	466,073	251,418	805,046	435,125

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Notes to the Condensed Interim Consolidated Financial Statements (unaudited)

As at and for the three and six months ended June 30, 2021 and 2020

14. Share capital

On April 23, 2021, the Company (i) converted all of the issued and outstanding Existing Preferred Shares into common shares (the “Common Shares”) on a 1-for-1 basis, (ii) amended the Company’s Articles to (a) amend and redesignate the Company’s Common Shares as Subordinate Voting Shares, (b) create a new class of unlimited number of Multiple Voting Shares, (c) repeal the classes of shares relating to the Existing Preferred Shares and (d) create a new class of unlimited preferred shares, issuable in series, (iii) effected a 4-for-1 split of each of the Company’s Multiple Voting Share and Subordinate Voting Shares, (iv) made each option to acquire shares of the Company under the Legacy Option Plan exercisable for Subordinate Voting Shares, and (v) converted all Subordinate Voting Shares beneficially owned by the Principal Shareholders into an equal number of Multiple Voting Shares pursuant to certain share exchange agreements entered into between the Company and each of the Principal Shareholders, and canceled the exchanged Subordinate Voting Shares.

Following these capital changes, the Company is now authorized to issue an unlimited number of Subordinate Voting Shares, an unlimited number of Multiple Voting Shares, and an unlimited number of preferred shares, issuable in series.

Initial Public Offering on the Toronto Stock Exchange

On April 27, 2021, the Company completed an IPO on the TSX and issued 12,310,000 Subordinate Voting Shares for a total gross consideration of \$129,040,842 (CAD \$160,030,000). On May 5, 2021, the underwriters fully exercised an over-allotment option to purchase an additional 1,846,500 Subordinate Voting Shares for a total gross consideration of \$19,575,854 (CAD \$24,004,500). Total share issuance costs relating to the IPO and over-allotment option amounted to \$9,861,611.

15. Loss per share

Basic loss per share is calculated by dividing the net loss by the weighted average number of Subordinate Voting Shares outstanding during the period. Diluted loss per share is calculated by dividing the net loss by the number of Subordinate Voting Shares used in the calculation of basic loss per share, adjusted for the number of Subordinate Voting Shares which could have had a dilutive effect on net loss during the period, had outstanding in-the-money equity compensation units been exercised. For periods where net losses are incurred, all potentially-dilutive securities have been excluded from the calculation of diluted loss per share, as including them would be anti-dilutive.

	Three months ended June 30,		Six months ended June 30,	
	2021	2020	2021	2020
Weighted average number of Subordinate Voting Shares outstanding - basic and diluted	49,433,652	43,163,588	44,235,490	43,001,872
Loss per share				
Basic and diluted	\$ (0.11)	\$ (0.01)	\$ (0.14)	\$ (0.02)

THINKIFIC LABS INC.

Notes to the Condensed Interim Consolidated Financial Statements (unaudited)

As at and for the three and six months ended June 30, 2021 and 2020

16. Stock-based compensation

In 2016, the Company established a stock option plan (the “Legacy Option Plan”) for directors, officers, employees, and consultants of the Company. In connection with the IPO on April 27, 2021, the Legacy Option Plan was amended such that no further awards can be made under the Legacy Option Plan. In connection with the IPO, the Company adopted an omnibus incentive plan (the “Omnibus Incentive Plan”) which allows the Board of Directors to grant long-term equity-based awards, including stock options, and Restricted Share Units (RSUs) to eligible participants, as well as the Directors’ Deferred Share Units Plan (the “DSU Plan”), which allows the Board of Directors to grant DSUs to its members.

The aggregate number of Subordinate Voting Shares that may be issued pursuant to the grants made under the Legacy Option Plan and Omnibus Incentive Plan, shall be equal to 10% of the aggregate number of issued and outstanding Multiple Voting Shares and Subordinate Voting Shares, from time to time.

Stock options

All stock options have an exercise price determined and approved by the Board of Directors at the time of grant, which cannot be less than the market price of a Subordinate Voting Share on the date of grant. Each option entitles the holder to purchase one Subordinate Voting Share. Stock options typically have a maximum term of up to ten years and generally vest over four years.

A summary of the Company’s stock option activity for the six months ended June 30, 2021 and 2020 is presented below:

	Six months ended June 30,			
	2021		2020	
	Number of options	Weighted average exercise price (CAD)	Number of options	Weighted average exercise price (CAD)
Outstanding, beginning of period	5,433,628	\$ 0.64	5,623,252	\$ 0.21
Granted	1,344,500	\$ 12.36	55,000	\$ 1.72
Exercised	(20,828)	\$ 0.45	(398,704)	\$ 0.06
Forfeited	(34,012)	\$ 3.85	(130,756)	\$ 0.48
Outstanding, end of period	6,723,288	\$ 2.97	5,148,792	\$ 0.23
Exercisable, end of period	4,255,341	\$ 0.25	4,086,508	\$ 0.11

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Notes to the Condensed Interim Consolidated Financial Statements (unaudited)

As at and for the three and six months ended June 30, 2021 and 2020

A summary of the Company's stock options outstanding as at June 30, 2021 and 2020 is presented below:

Exercise price range (CAD)	June 30, 2021		June 30, 2020	
	Number of options	Weighted average remaining contractual life (years)	Number of options	Weighted average remaining contractual life (years)
\$0.04 - \$0.07	2,515,628	3.3	2,875,628	4.3
\$0.08 - \$0.12	826,000	5.6	864,164	6.6
\$0.13 - \$0.62	1,090,000	7.5	1,138,000	8.5
\$0.63 - \$4.19	1,049,400	8.8	271,000	9.3
\$4.20 - \$13.00	1,242,260	9.8	—	—
	6,723,288	6.3	5,148,792	5.8

The fair value of stock options granted during the six months ended June 30, 2021 and 2020 was estimated at the date of grant using the Black-Scholes option pricing model with the following weighted average assumptions:

	Six months ended June 30,	
	2021	2020
Expected volatility	64 %	70 %
Risk-free interest rate	1.1 %	1.2 %
Expected option life (years)	6.1	10.0
Expected dividend yield	— %	— %

Restricted share units ("RSUs")

RSUs are an equity incentive arrangement which entitle the holder to receive, upon vesting, Thinkific Subordinate Voting Shares, cash, or a combination thereof at the discretion of the Board of Directors. RSUs are accounted for at fair value, using the prevailing Thinkific Subordinate Voting Share price as if the units were vested and issued on the grant date. Stock-based compensation expense is determined based on the estimated fair value on the date of grant, and recognized over the service period. Forfeitures are estimated at the grant date. RSUs typically have an maximum term of up to ten years and generally vest over three years.

During the three and six months ended June 30, 2021, the Company's Board of Directors approved the grant of 8,512 RSUs with a fair value of \$14.21 CAD per share unit (three and six months ended June 30, 2020 - nil) During the three and six months ended June 30, 2021, 355 RSUs with a fair value of \$14.21 CAD per share unit were exercised (three and six months ended June 30, 2020 - nil).

Deferred share units ("DSUs")

DSUs are an equity incentive arrangement for our Board of Directors which entitle the holder to receive, upon redemption, a cash payment equal to the prevailing Thinkific Subordinate Voting Share price on the date of settlement. Each DSU vests on the date of the grant, however, the redemption of DSUs occurs when the holder ceases to be a director of the Company. DSUs are accounted for at fair value. Stock-based compensation expense is determined based on the estimated fair value of the DSUs on the date of grant, and subsequently adjusted to reflect the fair value at each period-end. Fair value is based on the prevailing Thinkific Subordinate Voting Share price.

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During the three and six months ended June 30, 2021, the Company's Board of Directors approved the grant of 1,730 DSUs with a fair value of \$17.94 CAD per share unit (three and six months ended June 30, 2020 - nil).

17. Financial risk management and financial instruments

The Company measures the fair value of its financial assets and financial liabilities using a fair value hierarchy. A financial instrument's classification within the fair value hierarchy is based upon the lowest level of input that is significant to the fair value measurement. Three levels of inputs may be used to measure fair value. The different levels of the fair value hierarchy are defined below:

Level 1 Quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2 Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly; and

Level 3 Unobservable inputs for the asset or liability.

The following table summarizes the classification and carrying value of the Company's financial instruments as at June 30, 2021:

	Financial assets at amortized cost	Financial liabilities at amortized cost	Fair value through profit or loss	June 30, 2021
	\$	\$	\$	\$
<u>Financial assets</u>				
Cash and cash equivalents	141,527,324	—	—	141,527,324
Trade and other receivables	931,376	—	—	931,376
Investment tax credits	1,138,932	—	—	1,138,932
<u>Financial liabilities</u>				
Accounts payable and accrued liabilities	—	1,544,127	—	1,544,127
Lease liabilities	—	1,147,656	—	1,147,656

The fair value of cash and cash equivalents, trade and other receivables, investment tax credits, and accounts payable and accrued liabilities is considered to be equal to their respective carrying values due to their short-term maturities.

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Notes to the Condensed Interim Consolidated Financial Statements (unaudited)

As at and for the three and six months ended June 30, 2021 and 2020

18. Segmented information

Operating segments

The Company operates primarily in one principal business, that being the development, marketing and support management of the Company's cloud-based platform.

Entity-wide disclosures

Geographic revenue information is based on the location of the customer invoiced.

	Three months ended June 30,		Six months ended June 30,	
	2021	2020	2021	2020
	\$	\$	\$	\$
United States	4,599,567	2,368,972	8,851,673	4,174,073
Rest of world	3,629,267	1,790,369	6,887,472	2,976,399
Canada	899,102	387,299	1,692,065	694,361
	<u>9,127,936</u>	<u>4,546,640</u>	<u>17,431,210</u>	<u>7,844,833</u>

Long-lived assets, which includes lease right-of-use assets, property and equipment, intangible assets, and contract acquisition assets, are all located in Canada.