



SPETZ INC. (FORMERLY DIGIMAX GLOBAL INC.)

AUDITED CONSOLIDATED FINANCIAL STATEMENTS

**FOR THE ELEVEN MONTHS ENDED DECEMBER 31, 2022, AND FOR THE YEAR ENDED
JANUARY 31, 2022**

(EXPRESSED IN THOUSANDS OF UNITED STATES DOLLARS)

To the Shareholders of Spetz Inc.

The accompanying consolidated financial statements and other financial information in this annual report were prepared by management of Spetz Inc. (the “Company”), reviewed by the Audit Committee and approved by the Board of Directors.

Management is responsible for the consolidated financial statements and believes that they fairly present the Company’s financial position and results of operations in conformity with International Financial Reporting Standards. Management has included in the Company’s consolidated financial statements amounts based on estimates and judgments that it believes are reasonable, under the circumstances.

To discharge its responsibilities for financial reporting and safeguarding of assets, management believes that it has established appropriate systems of internal accounting control which provide reasonable assurance that the financial records are reliable and form a proper basis for the timely and accurate preparation of consolidated financial statements. Consistent with the concept of reasonable assurance, the Company recognizes that the relative cost of maintaining these controls should not exceed their expected benefits. Management further assures the quality of the financial records through careful selection and training of personnel and through the adoption and communication of financial and other relevant policies.

The consolidated financial statements for the period ended December 31, 2022 have been audited by the Company’s auditors, Clearhouse LLP, and their report is presented herein.

“Yossi Nevo”
Yossi Nevo
Chief Executive Officer

“David Bhumgara”
David Bhumgara
Chief Financial Officer

Toronto, Canada
May 1, 2023



INDEPENDENT AUDITOR'S REPORT

To the Shareholders of
Spetz Inc. (Formerly Digimax Global Inc)

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of Spetz Inc (the Company), which comprise the consolidated statements of financial position as at December 31, 2022 and January 31, 2022, and the consolidated statements of loss and comprehensive loss, consolidated statements of changes in equity and consolidated statements of cash flows for the period from February 1, 2022 to December 31, 2022 and for the year ended January 31, 2022, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of the Company as at December 31, 2022 and January 31, 2022, and its financial performance and its cash flows for the period from February 1, 2022 to December 31, 2022 and for the year ended January 31, 2022, in accordance with International Financial Reporting Standards.

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 those requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material Uncertainty Relating to Going Concern

We draw your attention to Note 1 in the consolidated financial statements, which indicates that the Company incurred a comprehensive loss of \$10,868,000 for the period from February 1, 2022 to December 31, 2022. As stated in Note 1, these events or conditions, along with other matters as set forth in Note 1, indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Information Other than the Consolidated Financial Statements and Auditor's Report Thereon

Management is responsible for the other information. The other information comprises the annual 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.

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

In preparing the consolidated financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters relating 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 scepticism throughout the audit. We also:

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



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

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the 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.

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

Clearhouse LLP

Chartered Professional Accountants
Licensed Public Accountants

Mississauga, Ontario
May 1, 2023

SPETZ INC. (FORMERLY DIGIMAX GLOBAL INC.)
Audited Consolidated Statements of Financial Position
As at December 31, 2022, and January 31, 2022

(Expressed in thousands of United States dollars)

	Notes	December 31, 2022	January 31, 2022 Restated (Note 2)
ASSETS			
Current Assets			
Cash and cash equivalents		\$ 397	\$ 4,200
Restricted deposits		54	-
Accounts receivable, net	6	435	-
Other receivables		53	55
Prepaid expenses		64	63
Investments	7	-	5,716
Digital currencies	8	-	1,438
		1,003	11,472
Non-current Assets			
Property, plant and equipment, net	9	33	-
Right-of-use asset	10	37	75
Intangible assets	5,11	2,978	-
Goodwill	5,12	4,637	-
Assets held for sale	7,8,25	500	-
		8,185	75
Total Assets		\$ 9,188	\$ 11,547
LIABILITIES			
Current Liabilities			
Accounts payable and accrued liabilities	13	\$ 690	\$ 419
Short-term bank credit	14	238	-
Other payables	13	606	-
Lease liability	10	41	39
Note payable		-	75
Related party payables	22	370	-
Deferred revenue	15	349	-
Liabilities held for sale	8,25	-	3
		2,294	536
Non-current Liabilities			
Long term loans	16	32	-
Employee benefit liabilities		25	-
Lease liability	10	-	40
Total Liabilities		2,351	576
SHAREHOLDERS' EQUITY			
Share capital	17	20,959	15,393
Warrants reserve	18	8,112	8,112
Share based payments reserve	19	4,561	3,393
Accumulated deficit		(26,849)	(16,689)
Accumulated other comprehensive (loss)/income		54	762
Total Shareholders' Equity		6,837	10,971
Total Liabilities and Shareholders' Equity		\$ 9,188	\$ 11,547

Nature of operations and going concern (Note 1)
Commitments (Note 23) and Subsequent events (Note 24)

Approved on behalf of the Board on May 1, 2023:
"Yossi Nevo
Director

"Michael Kron"
Director

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

SPETZ INC. (FORMERLY DIGIMAX GLOBAL INC.)

Audited Consolidated Statements of Loss and Comprehensive Loss

For the eleven months ended December 31, 2022, and the year ended January 31, 2022

(Expressed in thousands of United States dollars, except for per share amounts)

	Notes	2022	January 31, 2022 Restated (Note 2)
Revenues			
Referral fees		\$ 997	\$ -
Cost of revenues		34	-
Gross margin		963	-
Expenses			
Consulting fees	22	446	772
Professional fees		127	149
Investor and public company costs		39	277
Sales and marketing expenses		786	250
General and administration		1,058	311
Depreciation and amortization expenses	9,10,11	413	-
Share based compensation	19,22	819	3,400
Research expenses		321	-
Total Expenses		(4,009)	(5,159)
		(3,046)	(5,159)
Other income/(expenses)			
Interest, finance and accretion expense		(50)	(15)
Acquisition costs, net	5	(253)	-
Gain on revaluation of derivative liabilities		-	140
Foreign exchange gain/(loss)		(44)	80
Interest earned on investments		21	31
Realized gain on sale of DCC		-	54
Impairment on Goodwill	12	(1,442)	-
Net Loss from continuing operations		(4,814)	(4,869)
Loss from discontinued operations	25	(6,232)	(7,467)
Net loss before income tax expense		(11,046)	(12,336)
Income tax recovery	20	(886)	-
Net loss for the year		(10,160)	(12,336)
Other comprehensive income/(loss)			
Foreign exchange gain/(loss) on translating foreign operations		(112)	166
Unrealized gain/(loss) on digital currencies in discontinued operations	8,25	(596)	596
Other comprehensive income/(loss) for the year		(708)	762
Comprehensive loss for the year		(10,868)	(11,574)
Weighted average shares outstanding			
- Basic and diluted		366,820,455	262,011,013
Loss per share from continuing operations - basic and diluted		\$ (0.01)	\$ (0.02)
Loss per share from discontinued operations - basic and diluted		\$ (0.02)	\$ (0.03)

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

SPETZ INC. (FORMERLY DIGMAX GLOBAL INC.)

Audited Consolidated Statements of Cash Flows

For the eleven months ended December 31, 2022, and for the year ended January 31, 2022

(Expressed in thousands of United States dollars)

	Notes	2022	January 31, 2022 Restated (Note 2)
Cash Flows from Operating Activities			
Net loss for the year		\$ (10,160)	\$ (12,336)
Non-cash items:			
Net loss from discontinued operations for the period		6,232	7,467
Impairment of goodwill		1,442	-
Deferred income tax recovery		(886)	-
Realized gain on sale of DCC		-	(54)
Non cash consulting expense		-	265
Depreciation and amortization expense	9,10,11	415	27
Foreign exchange gain		(53)	(15)
Gain on revaluation of derivative liabilities		-	(140)
Shares issued for services	5,17	93	237
Share based compensation	19,22	819	3,400
		(2,098)	(1,149)
Net change in non-cash working capital items:			
Accounts receivable		(52)	-
Other receivables		29	-
Prepaid expense		(1)	233
Deferred revenue		(2)	-
Income tax payable			(10)
Accounts payable and accrued liabilities		(204)	123
Cash used in continuing operations		(2,328)	(803)
Cash used in discontinued operations	25	(1,026)	(2,425)
Cash Flows used in operating activities		(3,354)	(3,228)
Cash Flows from Financing Activities			
Proceeds from issuance of units	17	-	14,412
Issuance costs	17	-	(1,252)
Repayment of short term credit facility	5	(60)	-
Repayment of long term loan	5	(11)	-
Repayment of related party loan	5,22	(54)	-
Proceeds from the exercise of warrants and options	17	-	1,227
Principal payments of lease liability	10	(38)	(22)
Repayment of notes payable		(75)	-
Cash Flows (used in)/from financing activities		(238)	14,365
Cash Flows from Investing Activities			
Acquisition of Spetz, net of cash acquired	5	(1,002)	-
Restricted cash		6	-
Additions to property, plant and equipment	9	(5)	-
Cash flows used in investing activities		(1,001)	-
Cash flows provided from/(used in) discontinued investing activities	25	790	(7,941)
Cash Flows (used in)/provided from investing activities		(211)	(7,941)
(Decrease)/ increase in cash		(3,803)	3,196
Cash, beginning of the period		4,200	1,004
Cash, end of the period		\$ 397	\$ 4,200
Supplemental disclosure of cash flow information			
Interest paid		75	-
Warrants issued for services		-	265
Shares issued for service		93	-

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

SPETZ INC. (FORMERLY DIGMAX GLOBAL INC.)

Audited Consolidated Statements of Changes in Equity

For the eleven months ended December 31, 2022, and the year ended January 31, 2022

(Expressed in thousands of United States dollars, except for share amounts)

	Share Capital		Reserves				Accumulated Other Comprehensive Income (loss)	Total
	Number of shares	Dollar amount	Shares to be issued	Share based Payments	Warrants	Deficit		
Balance, January 31, 2021 (Restated Note 2)	188,791,365	\$ 7,319	\$ 59	\$ 478	\$ 731	\$ (4,353)	\$ -	\$ 4,234
Issuance of shares on private placement (Note 17 (i) (ii))	52,374,570	7,454	-	-	6,999	-	-	14,453
Share issue costs - cash	-	(1,252)	-	-	-	-	-	(1,252)
Share issue costs - warrants	-	(538)	-	-	538	-	-	-
Shares issued to settle debt (Note 17 (iii))	996,078	233	-	-	-	-	-	233
Exercise of warrants (Note 18)	22,503,000	1,289	(20)	-	(417)	-	-	852
Exercise of options	5,200,000	673	(39)	(241)	-	-	-	393
Shares issued on RSUs vested (Note 19)	1,200,000	215	-	(215)	-	-	-	-
Options issued on Delphi acquisition	-	-	-	22	-	-	-	22
Share based payments	-	-	-	3,349	261	-	-	3,610
Other comprehensive income	-	-	-	-	-	-	762	762
Net loss and comprehensive loss, continuing operations	-	-	-	-	-	(4,869)	-	(4,869)
Net loss, discontinued operations	-	-	-	-	-	(7,467)	-	(7,467)
Balance, January 31, 2022 (Restated Note 2)	271,065,013	\$ 15,393	\$ -	\$ 3,393	\$ 8,112	\$ (16,689)	\$ 762	\$ 10,971
Shares issued on acquisition of Spetz (Note 17 iv)	230,146,518	5,367	-	-	-	-	-	5,367
RSUs issued on acquisition of Spetz (Note 17 iv)	-	-	-	455	-	-	-	455
Share issue for finders fees (Note 17 iv)	4,000,000	93	-	-	-	-	-	93
Shares issued on RSUs vested (Note 19)	3,001,897	106	-	(106)	-	-	-	-
Share based payments	-	-	-	819	-	-	-	819
Other comprehensive income/(loss)	-	-	-	-	-	-	(708)	(708)
Net loss, continuing operations	-	-	-	-	-	(3,928)	-	(3,928)
Net loss, discontinued operations	-	-	-	-	-	(6,232)	-	(6,232)
Balance, December 31, 2022	508,213,428	\$ 20,959	\$ -	\$ 4,561	\$ 8,112	\$ (26,849)	\$ 54	\$ 6,837

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

SPETZ INC. (FORMERLY DIGIMAX GLOBAL INC.)

Notes to the Audited Consolidated Financial Statements

For the eleven months ended December 31, 2022, and the year ended January 31, 2022

(Expressed in thousands of United States Dollars)

1. NATURE OF BUSINESS AND GOING CONCERN

Spetz Inc. (formerly Digimax Global Inc.) (the “**Company**”) was incorporated on December 11, 1998, under the laws of the Province of Ontario, Canada. The registered office and principal place of business of the Company is 200 Cochrane Ave. Unit 1A, Markham, ON L3R 8E7.

In prior years, the Company was focused on utilizing advanced financial technologies, together with predictive analytics derived from artificial intelligence-based machine learning, to provide its customers with products and services in multiple market sectors. With the acquisition of Spetz Tech Ltd. (“Spetz”) the Company has a global online, AI-powered marketplace platform that dynamically connects consumers to nearby rated service providers within 30 seconds.

The Company is listed on the Canadian Securities Exchange (“CSE”) and trades under the symbol “SPTZ” (formerly “DIGI”).

All financial information in this document is presented in United States dollars (“\$” or “US\$” or “USD”) unless otherwise indicated.

Going Concern

As at December 31, 2022, the Company had a working capital deficiency of \$1,291,000 (January 31, 2022 – \$10,936,000 positive) had not yet achieved profitable operations, had accumulated losses of \$26,849,000 (January 31, 2022 - \$16,689,000), and currently expects to incur further losses in the development of its business.

The Company has \$397,000 of cash at December 31, 2022, the Company has yet achieved positive cashflow from operations, therefore there is no assurance that the operations of the Company and any future operations will be successful and profitable. These conditions raise material uncertainties which casts significant doubt as to the use of the going concern assumption in these financial statements.

These audited consolidated financial statements have been prepared on the basis of accounting principles applicable to a going concern, which assumes that the Company will continue in operation for the foreseeable future and will be able to realize its assets and discharge its liabilities in the normal course of operations as they come due. In assessing whether the going concern assumption is appropriate, management takes into account all available information about the future, which is at least, but is not limited to, twelve months from the end of the reporting period. Management is aware, in making its assessment, of material uncertainties related to events or conditions that cast significant doubt upon the Company’s ability to continue as a going concern.

These audited consolidated financial statements do not reflect the adjustments to the carrying values of assets and liabilities and the reported expenses and balance sheet classifications that would be necessary if the Company were unable to realize its assets and settle its liabilities as a going concern in the normal course of operations. Such adjustments could be material.

2. BASIS OF PRESENTATION

(a) Basis of presentation and statement of compliance

The Company’s have been prepared in accordance and compliance with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”) and Interpretations of the IFRS Interpretations Committee (“IFRIC”).

These audited consolidated financial statements were approved and authorized by the Company’s Board of Directors on May 1, 2023.

SPETZ INC. (FORMERLY DIGIMAX GLOBAL INC.)

Notes to the Audited Consolidated Financial Statements

For the eleven months ended December 31, 2022, and the year ended January 31, 2022

(Expressed in thousands of United States Dollars)

(b) Basis of measurement

These consolidated financial statements have been prepared on the going concern basis, under the historical cost convention, except for certain financial instruments that are measured at fair value, as explained in the accounting policies described herein.

(c) Basis of consolidation

These consolidated financial statements include the accounts of the Company and its subsidiaries. All intercompany balances and transactions were eliminated on consolidation. Subsidiaries are entities the Company controls when it has the power, directly or indirectly to govern the financial and operating policies of an entity, and it is exposed, or has rights, to variable returns from its involvement with the entity.

Subsidiaries	Jurisdiction of incorporation	Functional Currency	Ownership interest
Spetz Tech Ltd.	Israel	ISL	100%
Spetz Ltd.	United Kingdom	GBP	100%
Spetz Pty Ltd.	Australia	AUD	100%
2618249 Ontario Corp.	Ontario, Canada	CAD	100%
DataNavee Corporation	Ontario, Canada	CAD	100%
Digimax Fund SPC	Cayman Islands	CAD	80%
Digimax Global BVI inc.	Cayman Islands	CAD	100%
Delphi Crypto AiCi	USA	USD	100%

(d) Functional and presentation currency

All figures presented in the audited consolidated financial statements are reflected in United States dollars. Foreign currency transactions are translated into United States dollars at exchange rates in effect on the date of the transactions. Monetary assets and liabilities denominated in foreign currencies at the consolidated statement of financial position date are translated to United States dollars at the foreign exchange rate applicable at that date. Realized and unrealized exchange gains or losses are recognized through profit or loss. Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction unless it is measured at fair value in which case it is translated using the exchange rate at the date when the fair value was measured.

As a result of the acquisition of Spetz Tech Ltd. as outlined in Note 5 below, the Company has elected to change its presentation currency from Canadian dollars to United States dollars. The change in presentation currency is a voluntary change which is accounted for retrospectively. For comparative reporting purposes, the statement of financial position has been translated to United States dollars using the exchange rate as at February 1, 2022 of 1.2719CAD/US\$, which is the date of the change in presentation currency. For the Statement of Loss and Comprehensive loss the Company applied the average exchange of 1.2527CAD/US\$.

The following shows restatement of prior period information for the Statement of Financial Position and Statement of Loss and Comprehensive Loss:

SPETZ INC. (FORMERLY DIGIMAX GLOBAL INC.)

Notes to the Audited Consolidated Financial Statements

For the eleven months ended December 31, 2022, and the year ended January 31, 2022

(Expressed in thousands of United States Dollars)

(Expressed in thousands of United States dollars)

	January 31, 2022 (CAD)	Foreign currency translation	February 1, 2022 (USD)
ASSETS			
Current Assets			
Cash and cash equivalents	\$ 5,342	\$ (1,142)	\$ 4,200
HST and other receivables	69	(14)	55
Prepaid expenses	80	(17)	63
Investments	7,271	(1,555)	5,716
Digital currencies	1,829	(391)	1,438
	14,591	(3,119)	11,472
Non-current Assets			
Right-of-use asset	96	(21)	75
	96	(21)	75
Total Assets	\$ 14,687	\$ (3,140)	\$ 11,547
LIABILITIES			
Current Liabilities			
Accounts payable and accrued liabilities	\$ 531	\$ (112)	\$ 419
Lease liability	50	(11)	39
Note payable	96	(21)	75
Deferred revenue	4	(1)	3
	681	(145)	536
Non-current Liabilities			
Lease liability	51	(11)	40
Total Liabilities	732	(156)	576
SHAREHOLDERS' EQUITY			
Share capital	19,579	(4,186)	15,393
Warrants reserve	10,318	(2,206)	8,112
Share based payments reserve	4,316	(923)	3,393
Accumulated deficit	(21,015)	4,379	(16,636)
Accumulated other comprehensive income	757	(48)	709
Total Shareholders' Equity	13,955	(2,984)	10,971
Total Liabilities and Shareholders' Equity	\$ 14,687	\$ (3,140)	\$ 11,547

SPETZ INC. (FORMERLY DIGIMAX GLOBAL INC.)

Notes to the Audited Consolidated Financial Statements

For the eleven months ended December 31, 2022, and the year ended January 31, 2022

(Expressed in thousands of United States Dollars)

(Expressed in thousands of United States dollars)

	As reported (CAD)	Restated (USD)
For the year ended January 31, 2022		
Revenues		
Referral fees	-	-
Cost of revenues	-	-
Gross margin	-	-
Expenses		
Consulting fees	967	772
Professional fees	186	149
Investor and public company costs	347	277
Sales and marketing expenses	313	250
General and administration	390	311
Share based compensation	4,259	3,400
Total Expenses	(6,462)	(5,159)
Other income/(expenses)		
Interest, finance and accretion expense	(18)	(15)
Gain on revaluation of derivative liabilities	176	140
Foreign exchange gain/(loss)	100	80
Interest earned on investments	39	31
Realized gain on sale of DCC	68	54
Net Loss from continuing operations	(6,097)	(4,869)
Loss from discontinued operations	(9,354)	(7,467)
Net loss before income tax expense	(15,451)	(12,336)
Income tax expense	-	-
Net loss for the period	(15,451)	(12,336)
Other comprehensive income/(loss)		
Foreign exchange gain/(loss) on translating foreign operations	-	166
Unrealized gain/(loss) on digital currencies	757	596
Other comprehensive income for the period	757	762
Comprehensive loss for the period	(14,694)	(11,574)

SPETZ INC. (FORMERLY DIGIMAX GLOBAL INC.)

Notes to the Audited Consolidated Financial Statements

For the eleven months ended December 31, 2022, and the year ended January 31, 2022

(Expressed in thousands of United States Dollars)

(e) Significant judgments, estimates and assumptions

The preparation of these audited consolidated financial statements requires management to make judgments and estimates and form assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses during the reporting period. On an ongoing basis, management evaluates its judgments and estimates in relation to assets, liabilities, revenue and expenses. Management uses historical experience and various other factors it believes to be reasonable under the circumstances as the basis for its judgments and estimates. Actual outcomes may differ from these estimates under different assumptions and conditions. Significant estimates and judgements include but are not limited to the following:

i. Fair value measurement of investments at reporting period ends

Estimating fair value for investments requires determining the most appropriate valuation model, which is dependent on the terms and conditions of the grant. This estimate also requires determining the most appropriate inputs to the valuation model including the expected life of the warrants, volatility and dividend yield and making assumptions about them. Changes in the input assumptions can materially affect the fair value estimate.

ii. Estimated useful lives, amortization of intangible assets, and impairment testing

Amortization of intangible assets is recorded on a straight-line basis over their estimated useful lives, which do not exceed the contractual period, if any. Intangible assets that have indefinite useful lives are not subject to amortization and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. The assessment of any impairment is dependent upon estimates of recoverable amounts that take into account factors such as economic and market conditions and the useful lives of assets.

iii. Business Combinations

Classification of an acquisition as a business combination or an asset acquisition depends on whether the assets acquired constitute a business, which can be a complex judgment. Whether an acquisition is classified as a business combination or asset acquisition can have a significant impact on the entries made on and after acquisition.

In determining the fair value of all identifiable assets and liabilities acquired, the most significant estimates relate to intangible assets. For any intangible asset identified, depending on the type of intangible asset and the complexity of determining its fair value, an independent valuation expert or management may develop the fair value, using appropriate valuation techniques, which are generally based on a forecast of the total expected future net cash flows. The evaluations are linked closely to the assumptions made by management regarding the future performance of these assets and any changes in the discount rate applied.

iv. Determination of fair value of equity settled transactions using option pricing models

The Company measures the cost of equity-settled transactions consisting of stock options and share purchase warrants offered to service providers and employees by reference to the fair value of the equity instruments at the date at which they are granted. Estimating fair value for share-based payment transactions requires determining the most appropriate valuation model, which is dependent on the terms and conditions of the grant. This estimate also requires determining the most appropriate inputs to the valuation model including the expected life of the stock option, volatility and dividend yield and making assumptions about them. Changes in the input assumptions can materially affect the fair value estimate. The Company uses the Black-Scholes Option Pricing Model to calculate the fair value.

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v. Share-based payments

The Company measures equity-settled share-based payment transactions based on an estimate of the fair value of goods or services received, unless that fair value cannot be estimated reliably, in which case the Company measures the fair value of the goods or services received based on the fair value of the equity instruments granted.

vi. Warrants

The Company uses the Black-Scholes model to calculate the value of warrants issued as part of the Company's private placements. The Black-Scholes model requires six key inputs to determine a value of warrants: risk-free interest rate, exercise price, market price at the date of issuance, expected dividend yield, expected life, and expected volatility. Certain of the inputs are estimates which involve considerable judgment and are or could be, affected by significant factors that are out of the Company's control. For example, a longer expected life of the warrants or higher volatility number used would result in an increase in the warrant value.

vii. 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.

The recognition of deferred tax assets is based on likelihood of future taxable income. The measurement of future taxable income for the purposes of determining whether or not to recognize deferred tax assets depends on many factors, including the Company's ability to generate such profits and the implementation of effective tax planning strategies. The occurrence or non-occurrence of such events in the future may lead to significant changes in the measurement of deferred tax assets.

viii. Impairment of intangible assets

Intangible assets are tested for impairment annually and whenever events or changes in circumstances indicate that the carrying amount of intangible assets has been impaired. In order to determine if the value of intangible assets have been impaired, the cash-generating unit to which the intangible assets have been allocated must be valued using present value techniques. When applying this valuation technique, the Company relies on a number of factors, including historical results, business plans, forecasts and market data. Changes in the conditions for these judgments and estimates can significantly affect the assessed value of the intangible assets.

ix. Development costs

The capitalization of costs for internally generated intangible assets is subject to judgment including the technical feasibility, timeframe to commercialization, assessment of availability of resources to complete the project, and if economic benefits will be generated from its use.

x. Digital currencies

There is limited guidance on the recognition and measurement of digital currencies. The Company has to use judgement to determine fair value of certain digital currencies where their maybe resale restrictions or limited market volume in determine the fair value of certain digital currencies.

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xi. Fair value of investments

The Company holds an investment in public, and private companies and are recorded in the Company's consolidated statements of financial position at values that are representative of, or approximate fair value. The fair value of a financial instrument that is traded in active markets at each reporting date is determined by reference to its quoted market price or dealer price quotations. For all other financial instruments carried at fair value, the fair value is determined using valuation techniques. Such techniques may reflect recent arm's length transactions in trading of the underlying financial instrument, reference to the current fair value of another instrument that has substantially the same terms, valuations of comparable companies, or discounted income or cash flow analysis. By their nature, these valuation models require the use of assumptions. Changes in the underlying assumptions of these models could materially impact the determination of the fair value of a financial instrument. Imprecision in determining fair value using these valuation techniques may affect the amount of net loss recorded for a particular investment in a particular period. The Company reviews assumptions relating to financial instruments on an ongoing basis to ensure that the basis for the determination of fair value is appropriate.

xii. Determination of Cash-Generating Units ("CGU")

Management is required to use judgment in determining the grouping of assets to identify their CGUs for purpose of testing for impairment. Judgement is further required to determine appropriate groupings of CGUs for the level at which intangible assets and any other assets requiring testing for impairment are tested for impairment. CGUs are based on an assessment of the unit's ability to generate independent cash inflows. The determination of these CGU's was based on management's judgement in regard to several factors such as shared infrastructure, geographical proximity, and exposure to market risk and materiality.

xiii. Functional and presentation currency

In determining the functional currency of the parent and its subsidiary, the Company considers the currency that mainly influences sales and the cost of providing goods and services in each jurisdiction in each the Company operates. The Company also considered secondary indicators including the currency in which funds from financing activities are denominated, the currency in which funds are retained and whether the activities of the subsidiaries are carried out as an extension of the Company or if they are carried out with a degree of autonomy

xiv. Going Concern

The assessment of the Company's ability to continue as a going concern involves judgement regarding future funding available for its operations, the fair value of accounts receivable, goodwill impairments, estimates on revenue recognition and working capital requirements as discussed in Note 1.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies applied in the preparation of the consolidated financial statements are set out below:

(a) Cash

The Company defines cash as highly liquid investments held for the purpose of meeting short term cash commitments that are readily convertible into known amounts of cash.

(b) Investments

Investments are comprised of financial instruments that are recognized initially at fair value and subsequently adjusted to fair value through profit or loss ("FVTPL"). The Company records its initial investment at cost which approximates fair value in private companies in which it doesn't have significant influence as portfolio investments.

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(c) Receivable and Expected Credit Loss

Accounts receivables are recorded at the invoiced amount and do not bear interest. Expected credit losses reflect the Company's estimate of amounts in its existing accounts receivable that may not be collected due to customer claims or customer inability or unwillingness to pay. Collectability of receivables is reviewed on an ongoing basis. The expected credit loss is determined based on a combination of factors, including the Company's risk assessment regarding the credit worthiness of its customers, historical collection experience and length of time the receivables are past due. For financial assets measured at amortized cost, loss allowances for expected credit losses are presented in the consolidated statement of financial position as a deduction from the gross carrying amount of the financial asset.

(d) Digital currencies

The Company's digital currencies are comprised of cryptocurrencies which are limited in supply, created and traded through open-source software and used as both a means of exchange and a store of value. Cryptocurrencies meet the definition of intangible assets in IAS 38 Intangible Assets as they are identifiable non-monetary assets without physical substance. On the date acquired, cryptocurrencies are initially recorded at cost and the revaluation method is used to measure the cryptocurrencies subsequently. Under the revaluation method, increases in fair value are recorded in other comprehensive income, while decreases are recorded in profit or loss. There is no recycling of gains from other comprehensive income to profit or loss. However, to the extent that an increase in fair value reverses a previous decrease in fair value that has been recorded in profit or loss, that increase is recorded in profit or loss. The cryptocurrencies are recorded on the statement of financial position at their fair value at the time of acquisition, which is determined using CoinMarketCap, an online coin price aggregator. The cryptocurrencies are subsequently re-measured at the end of each financial reporting period using CoinMarketCap's rate as at the period end date.

Digital currencies are measured using level 2 fair values, determined by taking the rate from www.coinmarketcap.com.

Digital currencies risk

Digital asset prices are affected by various forces including global supply and demand, interest rates, exchange rates, inflation or deflation and the global political and economic conditions. The profitability of the Company is directly related to the current and future market price of digital assets. In addition, the Company may not be able liquidate its digital currency at its desired price if required. A decline in the market prices for digital assets could negatively impact the Company's future operations. The Company has not hedged the conversion of any of its sales of digital assets. Digital assets have a limited history, and the fair value historically has been very volatile. Historical performance of digital assets is not indicative of their future price performance.

(e) Financial instruments

Financial assets and financial liabilities, are recognized on the consolidated statement of financial position when the Company becomes party to the financial instrument or derivative contract.

Classification

The Company classifies its financial instruments in the following categories: at fair value through profit or loss ("FVTPL"), at fair value through other comprehensive income ("FVTOCI") or at amortized cost. The Company determines the classification of financial assets at initial recognition. The classification of debt instruments is driven by the Company's business model for managing financial assets and their contractual cash flow characteristics. Equity instruments that are held for trading including all derivative instruments are classified as FVTPL. Financial liabilities are measured at amortized cost, unless they are required to be measured at FVTPL or the Company has opted to measure them at FVTPL.

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Measurement

All financial instruments are required to be measured at fair value on initial recognition, plus, in the case of a financial asset or financial liability not at FVTPL, transaction costs that are directly attributable to the acquisition or issuance of the financial asset or financial liability. Transaction costs of financial assets and financial liabilities carried at FVTPL are expensed in profit or loss. Financial assets and financial liabilities with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

The carrying value of the Company's financial assets held at amortized cost approximates fair value. All other financial assets are measured at their fair values at the end of subsequent accounting periods, with any changes taken through profit and loss or other comprehensive income (irrevocable election at the time of recognition). For financial liabilities measured subsequently at FVTPL, changes in fair value due to credit risk are recorded in other comprehensive income.

The component parts of compound instruments issued by the Company are classified separately as financial liabilities in accordance with the substance of the contractual arrangement. At the date of issue, the fair value of the liability is measured separately using an estimated market rate for a similar liability without an equity component and the residual is allocated to the conversion option. The liability component is subsequently recognized on an amortized cost basis using the effective interest method until extinguished upon conversion or at the instrument's maturity date.

Fair value is measured using a fair value hierarchy that reflects the significance of the inputs used to make the measurements. The hierarchy is summarized as follows:

- Level 1 - quoted prices (unadjusted) that are in active markets for identical assets or liabilities
- Level 2 - inputs that are observable for the asset or liability, either directly (prices) for similar assets or liabilities in active markets or indirectly (derived from prices) for identical assets or liabilities in markets with insufficient volume or infrequent transactions
- Level 3 - inputs for assets or liabilities that are not based upon observable market data

Derecognition

Financial assets

The Company derecognizes financial assets when the contractual rights to cash flows from the financial assets expire, or when it transfers the financial assets and substantially all the associated risks and rewards of ownership to another entity. Gains or losses on derecognition are generally recognized in the consolidated statement of loss and comprehensive loss.

Financial liabilities

The Company derecognizes financial liabilities only when its obligations under the financial liabilities are discharged, cancelled or expired. The difference between the carrying amount of the financial liability derecognized and the consideration paid and payable, including any non-cash assets transferred or liabilities assumed, is recognized in the consolidated statement of loss and comprehensive loss.

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(f) Leases

IFRS 16 introduced a single, on-balance sheet accounting model for leases. The Company, as a lessee, has recognized right-of use assets representing its rights to use the underlying assets and lease liabilities representing its obligation to make lease payments.

The Company recognized a right-of-use asset and a lease liability at the lease commencement date of June 15, 2021. The right-of-use asset is initially measured at cost, and subsequently at cost less any accumulated depreciation or impairment losses and adjusted for certain re-measurements of the lease liability. The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Company's incremental borrowing rate. The Company primarily uses its incremental borrowing rate as the discount rate. The weighted average discount rate used was 10.5% at the time of adoption June 15, 2021. The lease liability is subsequently increased by the interest cost on the lease liability and decreased by lease payments made. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, a change in the estimate of the amount expected to be payable under a residual value guarantee, or as appropriate, changes in the assessment of whether a purchase or extension option is reasonably certain to be exercised or a termination option is reasonably certain not to be exercised.

The Company has furthermore applied judgment to determine the applicable discount rate. The discount rate is based on the Company's incremental borrowing rate and reflects the current market assessments of the time value of money and the associated risks for which the estimates of future cash flows have not been adjusted for.

(g) Property, plant and equipment

Items of property, plant and equipment are initially recognized at cost. Cost includes directly attributable costs. Depreciation is computed by the declining balance method, based on the estimated useful lives of the assets, as follows:

	%
Computers and electronic equipment	15-33%
Furniture and equipment	7%
Leasehold improvements	10%

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred.

(h) Intangible assets

Intangible assets are stated at cost, net of accumulated amortization and accumulated impairment losses, if any. The Amortization is computed on a straight line basis, based on the estimated useful lives of the assets, as follows:

	years
Customer relationships	1
Brand	15
Technology	7
Non-compete	3

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(i) Goodwill Impairment and impairment of non-financial assets

Non-financial assets are reviewed for impairment if there is any indication that the carrying amount may not be recoverable. If any such indication is present, the recoverable amount of the asset is estimated to determine whether impairment exists. 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.

Any intangible asset such as Goodwill with an indefinite useful life is tested for impairment annually and whenever there is an indication that the asset may be impaired. Finite life intangible assets not yet available for use are tested annually for impairment. In order to determine if the value of goodwill has been impaired, the cash-generating unit to which goodwill has been allocated must be valued using present value techniques. When applying this valuation technique, the Company relies on a number of factors, including historical results, business plans, forecasts and market data. Changes in the conditions for these judgments and estimates can significantly affect the assessed value of goodwill. Management assesses intangible assets with indefinite lives for impairment on an annual basis. This assessment takes into account factors such as economic and market conditions as well as any changes in the expected use of the asset.

An asset's recoverable amount is the higher of fair value less costs to sell 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 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 is reduced to the recoverable amount. An impairment loss is recognized immediately in profit or loss. Where an impairment subsequently reverses, the carrying amount is increased to the revised estimate of recoverable amount, but only to the extent that this does not exceed the carrying value that would have been determined if no impairment had previously been recognized. An impairment loss is reversed when there has been a change in estimate that is relevant for the determination of the asset's recoverable amount since the last impairment loss was recognized.

(j) Employee benefits

1. *Short-term employee benefits*: Short-term employee benefits are benefits that are expected to be settled wholly before twelve months after the end of the annual reporting period in which the employees render the related services. These benefits include salaries, paid sick leave, recreation, and social security contributions and are recognized as expenses as the services are rendered. A liability in respect of a cash bonus or a profit-sharing plan is recognized when the Company has a legal or constructive obligation to make such payment as a result of past service rendered by an employee and a reliable estimate of the amount can be made.

2. *Post-employment benefits*: The plans are normally financed by contributions to insurance companies and classified as defined contribution plans.

The Company has defined contribution plans pursuant to Section 14 to the Severance Pay Law in Israel under which the Company pays fixed contributions to a specific fund and will have no legal or constructive obligation to pay further contributions if the fund does not hold sufficient amounts to pay all employee benefits relating to employee service in the current and prior periods. Contributions to the defined contribution plan in respect of severance or retirement pay are recognized as an expense simultaneously with receiving the employee's services and no additional provision is required in the financial statements except for the unpaid contribution

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(k) Restricted share units

The Company issues restricted share unit (“RSU”) awards from time to time to directors, employees and consultants. RSU entitles the recipients to receive one common share of the Company on vesting. The fair value of RSU were determined by the Company’s share price on the date of the award and recorded in accordance with the vesting provisions and included as part of share-based compensation in the statements of loss and comprehensive loss for the period.

(l) Share based payments

Employees (including directors and senior executives) of the Company receive a portion of their remuneration in the form of share-based payment transactions, whereby they render services as consideration for equity instruments (“equity-settled transactions”).

In situations where equity instruments are issued to non-employees and some or all of the goods or services received by the entity as consideration cannot be specifically measured, they are measured at fair value of the share-based payment. The fair value of the share-based payments is recognized together with a corresponding increase in equity over a period that services are provided, or goods are received.

The costs of equity settled transactions with employees are measured by reference to the fair value at the date on which they are granted. The costs of equity settled transactions are recognized, together with a corresponding increase in equity, over the period in which the performance and/or service conditions are fulfilled, ending on the date on which the relevant employees become fully entitled to the award (“the vesting date”). The cumulative cost recognized for equity-settled transactions at each reporting date until the vesting date reflects the Company’s best estimate of the number of equity instruments that will ultimately vest. The profit or loss charge or credit for a period represents the movement in cumulative expense recognized as at the beginning and end of that period and the corresponding amount is represented in contributed surplus. Upon exercise of the stock options, the consideration paid, together with the amount previously recognized in contributed surplus, is recorded as an increase in share capital. No expense is recognized for awards that do not ultimately vest. The dilutive effect of outstanding options is reflected as additional dilution in the computation of earnings per share.

The Company uses the Black-Scholes Option Pricing Model to calculate the fair value of stock options and of common share purchase warrants issued. The model requires the input of subjective assumptions including the expected price volatility. Changes in the subjective input assumptions can materially affect the fair value estimate, and therefore the existing models do not necessarily provide a reliable single measure of the fair value of the Company’s stock options and common share purchase warrants.

(m) Revenue recognition

The Company derives its revenues from providing referral services to service providers of various professions using its software application.

The Company identified the service providers as its customers, to which it refers service calls from end users using its software’s algorithm, in exchange for consideration (referral fees). Each service provider purchases a defined number of service calls to be referred to it by the Company, in exchange for referral fees, as determined per each service call.

The Company identified a single performance obligation in its contracts with its customers, which is providing referral services to its customers.

The Company recognizes revenue from providing its referral services over time, since its customers simultaneously receive and consume the benefits provided by the Company’s performance as the Company performs.

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The revenue from referral services is recognized over time using an output method, based on the units delivered output, which is the number of used service calls, in relation to the total number of service calls purchased. This is because the customer purchases a defined number of service calls to be received as part of the contract and directly and immediately benefits from each service call as it is received, until there are no unused service calls (or until the customer decides to terminate the contract).

When the Company provides its customers additional service calls free of charge, this is accounted for as a purchase price discount for the total number of service call purchased, including the additional service calls, which is recognized as reduction of revenue for each service call delivered.

As for customers' unexercised rights ('breakage') for unused service calls, the Company determined that it cannot reasonably expect to be entitled to a breakage amount, if any. Therefore, the Company recognizes breakage amount as revenue only when the likelihood of the customer exercising its remaining unused service calls becomes remote, which is typically after two years during which the customer did not receive any service call from the Company.

When the customer terminates the contract with the company prior to using all of its service calls purchased, the Company charges the customer a termination fee, which is recognized as revenue at the contract's termination date.

Presentation in the statement of financial position

When the Company receives cash payments from its customers in advance of providing all the service calls purchased, the Company recognizes a contract liability from its contracts with its customers. The contract liability represents consideration received for unused service calls and is presented as deferred revenue in the statement of financial position.

(n) Research and development costs

Research costs are expensed as incurred. Development expenditures on an individual project are recognized as an intangible asset when the Company can demonstrate:

- i) The product is technically and commercially feasible.
- ii) The Company intend to complete the product so that it will be available for use or sale.
- iii) The Company has the ability to use the product or sell it.
- iv) The Company has the technical, financial and other resources to complete the development and to use or sell the product.
- v) The Company can demonstrate the probability that the product will generate future economic benefits.
- vi) The Company is able to measure reliability the expenditure attributable to the product during the development.

During the period ended December 31, 2022, the Company did not meet the criteria above, therefore all the research costs were recognized as expenses.

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(o) Credit losses and their measurement

Prior to commencing a business relationship, the Company will enter into an agreement with the customer. The agreement or contract typically includes details of the terms of payment to which both sides agree. In case of need, the customer may update the Company if there is a delay in the payment, beyond the terms of the agreement. Any delays in payment is subject to approval of the company. If a customer's scheduled payment is delayed by more than two months and such delay is not approved by the Company's management, and if the customer and the Company are not able to resolve the matter, the receivable is considered to be in default as the collectability is no longer certain. If collection efforts are not successful, the Company will retain collection company in Australia or the UK or legal counsel in Israel to assist with collection and sends a demand letter to that effect. The company assesses a provision for doubtful debts, based on the collection process as described.

Write-off policy - The Company writes off its financial assets if any of the following occur:

- i) Inability to locate the debtor.
- ii) Discharge of the debt in a bankruptcy.
- iii) It is determined that the efforts to collect the debt are no longer cost effective given the size of receivable.

The collections department must comply with the collection efforts outlined in the policy to collect on delinquent customer accounts before any write-offs are made

(p) Related party transactions

Parties are considered to be related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions. Parties are also considered to be related if they are subject to common control or common significant influence. Related parties may be individuals or corporate entities. A transaction is considered to be a related party transaction when there is a transfer of resources or obligations between related parties.

(q) Taxation

Income tax expense represents the sum of tax currently payable and any deferred tax.

Current income tax

Current income tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the date of the statement of financial position.

Deferred income tax

Deferred taxation is recognized using the liability method on temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. However, deferred taxation is not recognized if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit nor loss. Deferred taxation is determined using tax rates (and laws) that have been enacted.

A deferred tax asset is recognized to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

Deferred income tax is provided on temporary differences arising on investments in subsidiaries, associates and jointly controlled entities, except where the timing of the reversal of the temporary difference is controlled by the Company and it is probable that the temporary difference will not reverse in the foreseeable future.

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(r) Share Issuance costs

Costs incurred in connection with the issuance of share capital are netted against the proceeds received. Costs related to the issuance of share capital and incurred prior to issuance are recorded as deferred share issuance costs and subsequently netted against proceeds when they are received.

(s) Share Capital

In situations where the Company issues units, the value of units is bifurcated (using the residual method) and the value of warrants is included as a separate reserve of the Company's equity.

(t) Provisions

Provisions are recognized when the Company has a present obligation (legal or constructive) that has arisen as a result of a past event and it is probable that a future outflow of resources will be required to settle the obligation, provided that a reliable estimate can be made of the amount of the obligation.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risk specific to the obligation. The increase in the provision due to passage of time is recognized as interest expense.

(u) Loss per share

Basic loss per share is computed by dividing the net loss available to common shareholders by the weighted average number of common shares outstanding during the period. The computation of diluted loss per share assumes conversion, exercise or contingent issuance of options, warrants and securities only when such conversion, exercise or issuance would have a dilutive effect on loss per share.

(v) Assets held for sale and discontinued operations

Current assets classified as held for sale are presented separately and measured at the lower of their carrying amounts immediately prior to their classification as held for sale and their fair value less costs to sell. However, some held for sale assets such as financial assets or deferred tax assets, continue to be measured in accordance with the Company's relevant accounting policy for those assets.

Once classified as held for sale, the assets are not subject to depreciation or amortization. Any profit or loss arising from the sale of a discontinued operation or its remeasurement to fair value less costs to sell is presented as part of a single line item, profit or loss from discontinued operations.

Financial instruments

The following table summarized those assets and liabilities that are included at their fair value in the Company's financial statements of financial position as at December 31, 2022. These asset and liabilities have been categorized into hierarchical levels, according to the significance of the inputs used in determining fair value measurements.

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Financial Instrument	Classification	Fair Value Hierarchy			Total
		Level 1	Level 2	Level 3	
Financial assets					
Cash and cash equivalents	FVTPL	\$ 397	\$ -	\$ -	\$ 397
Restricted cash	FVTPL	54	-	-	54
Investments	FVTPL	-	-	500	500
Financial Liabilities					
Accounts payable and accrued liabilities	Amortized cost	-	-	690	690
Short-term bank credit	FVTPL	238	-	-	238
Other payables	Amortized cost	-	-	606	606
Related party payables	Amortized cost	-	-	370	370
Long term loans	Amortized cost	\$ -	\$ -	\$ 32	\$ 32

New standards and interpretations*New standards not yet adopted, and interpretations issued but not yet effective*

At the date of authorization of these consolidated Financial Statements, the IASB and the IFRS Interpretations Committee have issued certain new and revised Standards and Interpretations which are not yet effective. Many are not applicable or do not have a significant impact to the Company and have been excluded from these consolidated financial statements. The Company has not early adopted and is currently assessing what impact the application of these standards or amendments will have on the consolidated financial statements of the Company.

4. CAPITAL MANAGEMENT

The Company manages its capital structure and makes adjustments to it, based on the funds available to the Company, in order to support the development of its planned business activities. The Board of Directors does not establish quantitative return on capital criteria for management, but rather relies on the expertise of the Company's management to sustain future development of the business. In order to carry out the planned business activities and pay for administrative costs, the Company will spend its existing working capital and raise additional funds as needed. Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable.

The Company considers its capital to be shareholders' equity (deficiency), which is comprised of share capital, reserves, and accumulated deficit.

The Company's objective when managing capital is to obtain adequate levels of funding to support its business activities, to obtain corporate and administrative functions necessary to support organizational functioning and obtain sufficient funding to further the development of its business. The Company raises capital, as necessary, to meet its needs and take advantage of perceived opportunities and, therefore, does not have a numeric target for its capital structure. Funds are primarily secured through equity capital raised by way of private placements and issuance of convertible debentures. There can be no assurance that the Company will be able to continue raising equity capital in this manner.

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5. ACQUISITION OF SPETZ TECH LTD.

On August 16, 2022, the Company announced the completion of the previously announced acquisition of Spetz Tech Ltd. and wholly owned subsidiaries (collectively referred “Spetz”) via a definitive agreement to acquire all of the issued and outstanding shares of Israel-based Spetz, a technology company which has developed artificial intelligence (“AI”) software to operate a revolutionary and fast-growing mobile application that connects consumers to available, top-rated tradespeople, service providers and professionals in their area immediately or at any scheduled time (the “Transaction”).

The Transaction, which is an arm’s length transaction, involved the Company issuing 230,146,518 common shares in consideration for all of the issued and outstanding shares of Spetz. In addition, the Company issued 19,531,771 in restricted stock units, which will amount to approximately 47% of the outstanding shares of the Company upon the closing of the Transaction (the “Closing”).

In connection with the Transaction, the Company and Spetz have agreed to pay a finder’s fee to a certain arm’s length party (the “Finder’s Fee”). The Finder’s Fee is comprised of 4 million common shares of the Company with a fair value of \$93,000.

Below is a preliminary breakdown of the purchase price allocated to the assets acquired. Remeasurement may be made up to August 16, 2023 (one year after the transaction per IFRS 3.45).

Cash and cash equivalents	\$	8
Other Receivables		27
Restricted deposits		60
Receivables		383
Property, plant and equipment		39
Intangible assets		
Customer relationships		732
Brands		339
Technology		2,173
Non-Complete		100
Goodwill		6,079
Short term bank credit		(298)
Other payables		(523)
Trade Payable		(558)
Deferred revenue		(335)
Related party loan		(424)
Long term loans		(43)
Employee benefit liabilities		(41)
Deferred income tax liability		(886)
Fair value of net assets acquired	\$	6,832
Fair value of consideration paid:		
Cash	\$	1,010
Common shares		5,367
RSUs		455
	\$	6,832

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The cash portion of the acquisition of Spetz represents the cash advanced in the form of a convertible loan to Spetz prior to closing of \$1,010,000 (CAD\$1,300,000). On closing the convertible loan was converted to shares of Spetz.

Goodwill recognized on the acquisition of Spetz represents the excess purchase price paid by the Company over the fair value of net tangible and intangible assets identified. Goodwill is primarily related to the opportunities to grow the Company's AI strategy and the synergies from the acquisition of Spetz. Further, the Company obtains access to Spetz ongoing operations in Israel, Australia and United Kingdom.

The Company expensed \$253,000 in connection with the acquisition of Spetz, which represents \$160,000 in legal costs and \$93,000 representing the fair value of the 4,000,000 shares issued as a finder's fee.

6. ACCOUNTS RECEIVABLE

As at	December 31, 2022	January 31, 2022
Current	\$ -	\$ -
30- 60 days	25	-
61-90 days	18	-
Over 90 days	906	-
	949	-
Provision for doubtful accounts	(514)	-
Net Accounts Receivable	\$ 435	\$ -

The Company has net accounts receivable of \$435,000 and the Company has a provision for doubtful accounts of \$514,000.

7. INVESTMENTS

	Talipay Investment	MADA Private Investment	Kirobo Private Investments	CryptoHawk Fund	Total
Balance at February 1, 2022 (restated Note 2)	\$ -	\$ 250	\$ 5,065	\$ 401	\$ 5,716
Additions	229	-	-	-	229
Withdrawals	-	-	-	(363)	(363)
Revaluation	(229)	(263)	(4,565)	(21)	(5,078)
Accrued interest	-	13	-	-	13
Foreign exchange	-	-	-	(17)	(17)
Balance at December 31, 2022	\$ -	\$ -	\$ 500	\$ -	\$ 500

The Company has classified its investments under assets held for sale, as it's the intention of the Company to focus its resources on the Spetz operations and dispose of these investments over time.

During the period ended December 31, 2022, the Company performed AI consulting services for Talipay Inc. a private company located in the United States. The Company recognized \$468,100 in consulting revenue, disclosed as discontinued operations (see Note 25). In connection with this engagement, the Company in turn subscribed to common shares in Talipay Inc. in the amount of \$229,000. The Company has designated this investment as a portfolio investment and measures it at FVTPL. The Company has recorded an impairment of \$229,000 on its investment of Talipay Inc. and is included in unrealized loss on investments in discontinued operations.

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On December 29, 2021, the Company completed its strategic investment of \$250,000 into MADA Analytics (“MADA”) by way of a one year unsecured, convertible note with a 5% interest rate per annum. The convertible note is convertible into common shares of MADA at a price per share equal to \$5 million valuation divided by the total number of outstanding common shares of MADA immediately prior to maturity. The Company has designated this investment as a portfolio investment and measures it at amortized cost. The Company has recognized interest earned on \$13,000. The Company has recorded an impairment of \$263,000 and is included in unrealized loss on investments in discontinued operations.

On May 3, 2021, the Company completed its strategic investment of \$5,000,000 of Kirobo Ltd. (“Kirobo”) a cryptocurrency solutions developer. In exchange the Company received 22,104,332 shares at a share price of US\$0.2262 per common share for 15% of Kirobo. The Company incurred acquisition costs of \$65,000 in connection with its investment in Kirobo. Tel Aviv based Kirobo is a blockchain technology company that provides state-of-the-art tools to crypto users and companies, helping them gain better control of their funds. The Company has determined that it does not hold significant influence or control of Kirobo as defined under IAS 28. The Company therefore has designated this investment as a portfolio investment and measures it at fair value through profit or loss (“FVTPL”) as defined under IFRS 9. For private companies like Kirobo, the Company determines fair value using valuation methodology such as discounted cash flow, loan to value, recent material transactions in the investment, and comparable company analysis.

The Company used Kirobo’s token price at December 31, 2022 and amount of KIRO in circulation to determine the market capitalization of Kirobo, and thereby the Company determined the fair value of the Company’s investment in Kirobo to be \$500,000. As a result, the Company recognized an unrealized loss on its investment of \$4,565,000 in discontinued operations.

On September 2, 2021, the Company seed funded its CryptoHawk Growth Fund (legal name: Digimax Alpha Fund SP) with \$1,000,000 to demonstrate the Company’s AI technology. The Company has designated this investment as a portfolio investment and measures it at FVTPL. During the period ended December 31, 2022, the Company redeemed all remaining proceeds \$363,000 in its investment in the CryptoHawk Growth Fund. The Company realized a loss on its investments of \$21,000 in discontinued operations.

8. DIGITAL CURRENCIES

The Company holds digital currencies, classified as discontinued assets, as follows:

	Bitcoin	Ethereum	USDC	DOT	LTC	XTZ	Kirobo Coins	
Balance at February 1, 2022 (restated Note 2)	\$ 1,438	11	101	160	854	200	4,176	6,250,000
Digital currencies purchased for the period	4,487	105	56	90,482	-	-	-	-
Traded for cash for the period	(4,877)	(116)	(156)	(90,260)	(854)	(200)	(4,176)	(900,000)
Gain on sale of digital currencies	(15)	-	-	-	-	-	-	-
Revaluation of digital currencies	(1,033)	-	-	-	-	-	-	-
Balance at December 31, 2022	\$ -	-	1	382	-	-	-	5,350,000
Fair value at December 31, 2022	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

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- i) During the period ended December 31, 2022, the Company purchased 105 Bitcoin, 56 Ethereum, and 90,482 USDC, coins valued at \$4,487,000.
- ii) During the period ended December 31, 2022, the Company exchanged digital currencies for cash as follows: 116 Bitcoins, 156 Ethereum, 90,260 USDC, 854 DOT, 200 Litecoin, 4,176 Tezos and 900,000 KIRO for with a value of \$4,877,000. The gain on the sale of these digital currencies of \$15,000 was recorded in discontinued operations, under other income/(expenses).
- iii) Digital currencies held are revalued each reporting period based on the fair market value of the price of the digital currencies on the reporting date. As at December 31, 2022, a revaluation loss of \$1,033,000 was incurred. The Company fully reversed the prior year other comprehensive income \$596,000, and recorded in discontinued operations \$437,000 unrealized loss on digital currencies during the period ended December 31, 2022.

9. PROPERTY, PLANT AND EQUIPMENT

	Computer and Electronic equipment	Furniture and equipment	Leasehold Improvements	Total
Balance at February 1, 2022	\$ -	\$ -	\$ -	\$ -
Acquisition of Spetz	20	14	5	39
Additions	7	1	-	8
Less: Depreciation expense	(11)	(2)	(1)	(14)
Balance at December 31, 2022	\$ 16	\$ 13	\$ 4	\$ 33

Cost	\$ 27	\$ 15	\$ 5	\$ 47
Accumulated depreciation	(11)	(2)	(1)	(14)
Net book value	\$ 16	\$ 13	\$ 4	\$ 33

The Company recorded a depreciation of \$14,000 on property, plant and equipment since the date of the acquisition of Spetz.

10. RIGHT OF USE ASSET AND LEASE LIABILITY

The Company entered into a sub-lease of office space and adopted IFRS 16 which resulted in the recording of a right-of-use asset and associated lease liability. The lease liability was measured at the present value of lease payments and discounted using the Company's incremental borrowing rate of 10.5%.

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Below is a summary of the right-of-use asset and associated lease liability.

	Right-of-use asset	lease Liability
Balance at February 1, 2021	\$ -	\$ -
Additions	101	101
Interest	-	7
Repayments	-	(29)
Amortization	(26)	-
Balance at January 31, 2022 (restated Note 2)	\$ 75	\$ 79
Interest	-	6
Repayments	-	(44)
Amortization	(38)	-
Balance at December 31, 2022	\$ 37	\$ 41
Current	37	41
Non-current	-	-
Undiscounted cash flows		
Less than one year		\$ 43
One to five years		-
Total undiscounted lease liability at December 31, 2022		\$ 43

The sub-lease expires December 31, 2023, with no option for renewal.

11. INTANGIBLE ASSETS

As at December 31, 2022, intangible assets consisted of:

	Customer				
	Relationships	Brand	Technology	Non-Compete	Total
Balance at February 1, 2022	\$ -	\$ -	\$ -	\$ -	\$ -
Acquisition of Spetz	732	339	2,173	100	3,344
Less: Amortization expense	(244)	(8)	(103)	(11)	(366)
Balance at December 31, 2022	\$ 488	\$ 331	\$ 2,070	\$ 89	\$ 2,978

All intangible assets were acquired in connection with the acquisition of Spetz (see Note 5).

Amortization of intangible assets since the date of the acquisition of Spetz to December 31, 2022 was \$366,000 and is included in amortization expense in the consolidated statement of loss and comprehensive loss.

Impairment- January 31, 2022

The Company tests the recoverability of its intangible assets annually, or more frequently if events or changes in circumstances indicate that they might be impaired. Intangible assets recoverability is tested based on the higher of fair value less costs to sell and the value in use model. The value in use model applies a present value of expected future cashflows of the assets. The Company considers external and internal factors, including overall financial performance and relevant entity specific factors, as part of this assessment.

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The following factors were identified as impairment indicators:

- i) Revenue decline - the lack of revenue derived from the underlying business which fell short of the Company's expectations and budgets;
- ii) Actual net cash flows or operating profit flowing from the intangible assets acquired by the Company did not meet the Company's expectation and internal budget expectations;
- ii) Decline in stock price and market capitalization – at January 31, 2022, the Company's total net assets exceeded the Company's market capitalization prior to the impairments.

As result of these factors, management performed a qualitative impairment assessment test as at January 31, 2022.

The Company allocated all of its intangible assets to one cash generating unit ("CGU") as no individual business unit has sufficient working capital and cashflow to operate independently. For the purpose of the impairment test this represented the lowest level at which management monitors intangible assets. Management tested the CGU, which had indicators of impairment, for which CGU contains all the intangible assets. The recoverable amount of all CGUs was determined based on the higher of the CGUs fair value less cost of disposal or value in use, which are Level 3 measurements within the fair value hierarchy.

Key assumptions

- i) Projected EBITDA: The Company's business plan contains forecasts based on past experience of actual operating results in conjunction with anticipated future growth opportunities. The Company has determined that future growth prospects and expectations are highly variable and unknown as at January 31, 2022.
- ii) Growth rate: The Company has applied a perpetual growth rate of 5% to approximate the value in use per CGU.
- iii) Discount rates: Discount rates applied in determining the recoverable amount of the CGU groups were approximately between 21% based on the pre-tax weighted average cost of capital of each CGU group.

The values assigned to the key assumptions represent management's assessment of future trends in the industries in which the CGUs operate and are based on both external and internal sources and historical trend data.

At January 31, 2022, the Company determined an impairment of \$1,613,000 on intangible assets was appropriate.

12. GOODWILL

As of December 31, 2022, goodwill represents the excess purchase price paid for the acquisition of Spetz Tech Ltd. over the fair value of the net tangible and intangible assets acquired. (Note 5)

The Company tests the recoverability of its goodwill annually, or more frequently if events or changes in circumstances indicate that they might be impaired. Goodwill recoverability is tested based on the higher of fair value less costs to sell and the value in use model. The value in use model applies a present value of expected future cashflows of the assets.

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Impairment of Intangible assets and goodwill

Goodwill and indefinite life intangible assets are tested for impairment annually, and whenever events or circumstances that make it more likely than not that an impairment may have occurred, such as a significant adverse change in the business climate or a decision to sell or dispose all or a portion of a reporting unit. Finite life intangible assets are tested whenever there is an indication of impairment.

For the purpose of impairment testing, goodwill and indefinite life intangible assets have been allocated to CGUs representing the lowest level within the entity at which the goodwill is monitored for internal reporting purposes. CGUs are determined based on the smallest identifiable group of assets that generate cash inflows that are largely independent of cash inflows from other assets or group of assets.

Annual impairment testing involves determining the recoverable amount of the CGU group to which goodwill and indefinite life license intangibles are allocated and comparing this to the carrying value of the CGU groups. The measurement of the recoverable amount of the CGU groups was calculated based on the higher of the CGUs fair value less costs of disposal or value in use, which are Level 3 measurements within the fair value hierarchy.

The Company has allocated as follows its indefinite life intangible assets based on their value in use and goodwill based on the CGUs expected to benefit from synergies of the business combinations:

		Israel	United Kingdom	Australia	Total
Goodwill	\$	4,056	\$ 1,340	\$ 683	\$ 6,079
Impairment		(146)	(1,022)	(274)	(1,442)
Balance at December 31, 2022	\$	3,910	\$ 318	\$ 409	\$ 4,637

Key assumptions

i) Projected EBITDA: The Company's business plan contains forecasts based on past experience of actual operating results in conjunction with anticipated future growth opportunities. The forecast does assume some base business expansion into the United States. The primary engine of growth is strategic in nature and is consistent with the projections and expectations as articulated in the Company's strategic plan. The forecast period for Israel and Australia CGU cover a period from January 2023 to December 2027 (with a terminal year thereafter); the forecast period for the United Kingdom covers a period from January 2023 to December 2028 (with a terminal year thereafter).

ii) Terminal value of growth rate: The terminal growth rate of 2% was based on historical and projected consumer price inflation, historical and projected economic indicators, and projected industry growth; and

iii) Discount rates: Discount rates applied in determining the recoverable amount of the CGU groups were approximately 25% to 30% based on the pre-tax weighted average cost of capital of each CGU group.

The values assigned to the key assumptions represent management's assessment of future trends in the industries in which the CGU groups operate and are based on internal sources and historical trend data.

At December 31, 2022, the Company determined an impairment of \$1,442,000 on goodwill allocated to goodwill allocated to Israel, United Kingdom and Australian CGUs.

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13. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

As at	December 31, 2022	January 31, 2022 (restated Note 2)
Accounts payable	\$ 574	\$ 86
Accrued Liabilities	116	333
	\$ 690	\$ 419

Accounts payable of the Company principally comprise of amounts outstanding for trade purchases relating to regular business activities and amounts payable for financing activities. The usual credit period taken for purchases is between 30 to 90 days.

Other payables of the Company are as follows:

As at	December 31, 2022	January 31, 2022 (restated Note 2)
Employee and related institutions	\$ 247	\$ -
Accrued expenses	170	-
Government institutions	100	-
Other payables	89	-
	\$ 606	\$ -

14. SHORT-TERM BANK CREDIT FACILITY

Through the acquisition of Spetz, the Company has a revolving on demand, non-interest bearing short term credit facility with a bank in Israel. The facility is for a total of \$238,000 (900,000 NIS).

15. DEFERRED REVENUE

The Company recognizes revenue from providing its referral services over time. The Company's revenue from referral services is recognized over time using an output method, based on the units delivered output, which is the number of used service calls, in relation to the total number of service calls purchased. Deferred revenue represents those advances from customers for services calls yet to be used. At December 31, 2022, the Company had deferred revenue of \$349,000.

16. LONG-TERM LOANS

Through the acquisition of Spetz, the Company has a long-term loan facility. The long-term loan was originally in the amount of \$85,000 (300,000 NIS) from a bank in Israel and matures in May 2025. The loan was received in NIS. It bears interest at 3.1% per annum. During the period from the date of the acquisition of Spetz to December 31, 2022, the Company repaid \$11,000. The balance owing at December 31, 2022 is \$32,000.

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17. SHARE CAPITAL

The Company is authorized to issue an unlimited number of common shares without par value.

As at December 31, 2022, there are 508,213,428 (January 31, 2022 – 271,065,013) shares outstanding.

- (i) On February 26, 2021, the Company completed a non-brokered private placement offering for gross proceeds of \$5,103,299. The Company issued 14,580,855 Units at a price of \$0.35 per Unit. The Unit comprised of a common share and warrant. The warrant has an exercise price of \$0.365 per warrant for a period of two years. In connection with this offering the Company paid a finder fee of 8% of the gross proceeds and issued finder warrants of 8% of the units sold. The Company also issued a further 2,000,000 warrants to an arm's length consultant, which has been expensed as consulting fees. Each warrant is exercisable into one common share at a price of \$0.39 per share for a period of two years.
- (ii) On March 19, 2021, the Company completed a non-brokered private placement offering for gross proceeds of \$13,227,800. The Company issued 37,793,715 Units at a price of \$0.35 per Unit. The Unit comprised of a common share and warrant. The warrant has an exercise price of \$0.365 per warrant for a period of three and half years. In connection with this offering the Company paid a finder fee of 8% of the gross proceeds and issued finder warrants of 8% for a total of 3,023,497 warrants with an exercise price of \$0.4375 per warrant for a period of three and half years.
- (iii) During the year ended January 31, 2022, the Company issued 996,078 in common shares to settle debt of \$296,500 to various non-related parties.
- (iv) On August 16, 2022, the Company completed the acquisition of Spetz (See Note 5) by issuing 230,146,518 common shares in exchange of for 100% of the issued and outstanding shares of Spetz. The fair value on the common shares issued was \$5,367,000. In connection with this transaction, the Company and Spetz have agreed to pay a finder's fee to a certain arm's length party (the "Finder's Fee"). The Finder's Fee is comprised of 4 million common shares of the Company with fair value of \$93,000.

18. WARRANTS

Share purchase warrant transactions for the period ended December 31, 2022, and the year ended January 31, 2022, are as follows:

	Number of Warrants	Weighted Average Exercise Price (CAD)	Fair Value (restated Note 2)
Balance outstanding, February 1, 2021	39,173,250	\$ 0.060	\$ 731
Warrants expired(i)	(2,586,250)	(0.110)	-
Warrants issued(ii)	58,370,249	0.369	7,798
Warrants exercised	(22,003,000)	(0.050)	(417)
Balance outstanding, January 31, 2022	72,954,249	\$ 0.305	8,112
Warrants expired(i)	(12,564,000)	(0.060)	-
Balance outstanding, December 31, 2022	60,390,249	\$ 0.362	8,112

Warrant price (CAD\$)	Outstanding	Expiry date
At \$0.05	20,000	January 27, 2023
At \$0.15	2,000,000	January 7, 2023
At \$0.35	972,182	February 26, 2023
At \$0.365	52,374,570	September 17, 2024
At \$0.39	2,000,000	February 26, 2023
At \$0.44	3,023,497	September 17, 2024
Total	60,390,249	

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- i. On February 8, 2019, the Company issued to the holders of the February 2019 Debentures and the September 2018 Debentures 2,586,250 common share purchase warrants. These warrants are exercisable for a period of two years from issuance into common shares at an exercise price equal to the lowest of (i) CAD\$0.30, (ii) the product of the conversion price (lesser: of (i) CAD\$0.20; or (ii) 75% of the lowest price offered in a private placement of common shares subsequent to debentures being issued) multiplied by 1.5, and (iii) the exercise price of common share purchase warrants issued by the Company prior to the expiration of the warrants for each warrant exercised. These warrants expired February 8, 2021.
- ii. See note 17 in connection with warrants issued in connection with private placements.

The following table reflects the fair value of the actual warrants granted as of December 31, 2022 using the Black-Scholes model with the following assumptions:

	Fiscal January 31, 2022	Fiscal January 31, 2021
Average exercise price (CAD\$)	\$0.35-0.44	\$0.05-0.15
Fair value of the award	\$ 7,798	\$ 874
Risk free interest rate	0.23%-0.53%	0.24%-0.26%
Expected dividend yield	0.00%	0.00%
Expected volatility	233%-258%	250%-259%
Expected life of the warrants	2-3.5 years	2 years

19. STOCK OPTIONS AND RESTRICTED SHARE UNITS

The Company has a Share Option Plan (the "Plan") under which it is authorized to grant options and restricted share units to purchase common shares of the Company to directors, senior officers, employees and/or consultants of the Company. The aggregate number of shares of the Company which may be issued and sold under the Plan will not exceed 10% of the total number of common shares issued and outstanding from time to time. Share options are granted with a maximum term of ten years with vesting requirements at the discretion of the Board of Directors.

Company records a charge to the statement of loss and comprehensive loss using the Black-Scholes fair valuation option pricing model with respect to a share option grant. The valuation is dependent on a number of estimates, including the risk-free interest rate, the level of share volatility, together with an estimate of the level of forfeiture. The level of share volatility is calculated with reference to the historic traded daily closing share price at the date of issue. Option pricing models require the input of highly subjective assumptions including the expected price volatility. Changes in the subjective input assumptions can materially affect the fair value estimate, and therefore the existing models do not necessarily provide a reliable measure of the fair value of the Company's share purchase options.

	Stock Options	Weighted Average Exercise Price (CAD)
Options outstanding, February 1, 2021	10,650,000	\$ 0.100
Issued	15,750,000	0.280
Exercised	(4,700,000)	(0.096)
Forfeited	(100,000)	(0.050)
Options outstanding, January 31, 2022	21,600,000	\$ 0.232
Issued	9,350,000	0.050
Exercised	-	-
Forfeited	(14,250,000)	(0.213)
Options outstanding, December 31, 2022	16,700,000	\$ 0.145
Exercisable options	16,700,000	\$ 0.145

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	Fiscal ended December 31, 2022	Fiscal January 31, 2022	Fiscal January 31, 2021
Number of options granted	9,350,000	15,750,000	13,900,000
Exercise price (CAD\$)	\$0.05 to \$0.10	\$0.10 to \$0.39	\$0.05 to \$0.15
Risk free interest rate	2.63%-3.15%	0.20%-1.26%	0.22%-0.27%
Expected dividend yield	0.00%	0.00%	0.00%
Expected volatility	115%-165%	134%-262%	232%-260%
Expected life of the options	5 years	2 years	2 years

The following table reflects the actual stock options outstanding as of December 31, 2022:

Option price (CAD\$)	Options Outstanding	Weighted Average Exercise Price (CAD\$)	Weighted Avg Remaining Contractual Life (Yrs.)	Options Exercisable
At \$0.05	9,250,000	\$ 0.050	4.65	9,250,000
At \$0.08	50,000	\$ 0.080	0.92	50,000
At \$0.10	100,000	\$ 0.100	0.92	100,000
At \$0.15	2,000,000	\$ 0.150	0.08	2,000,000
At \$0.20	1,000,000	\$ 0.200	0.66	1,000,000
At \$0.24	800,000	\$ 0.240	0.10	800,000
At \$0.25	750,000	\$ 0.250	0.17	750,000
At \$0.39	2,750,000	\$ 0.390	0.16	2,750,000

Vesting Schedule

Immediate	16,700,000
1 year	-

Restricted share units

The Company issued 33,869,674 RSU under the equity incentive plan. Each RSU entitles the recipients to receive one common share of the Company on vesting. The outstanding RSUs vest according to the underlying agreements and range from quarterly basis or over 3 year period and are subject to certain performance criteria in order to vest to the holders. These RSUs are held by certain officers and directors of the Company.

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In connection with the Spetz acquisition (see Note 5) the Company issued 19,531,771 RSUs with a fair value of \$455,000 as part of the total consideration.

All other terms and conditions of the RSUs are in accordance with the Company's equity incentive plan. The fair value of RSU was determined by the Company's share price on the date of the award.

Below is a summary of the status of the RSUs at December 31, 2022.

	RSUs	Weighted Average Exercise Price (CAD)
RSUs outstanding, February 1, 2021	-	\$ -
Issued	4,550,000	0.160
Exercised	(1,200,000)	(0.230)
Forfeited	(1,200,000)	(0.230)
RSUs outstanding, January 31, 2022	2,150,000	\$ 0.080
Issued	33,869,674	0.040
Exercised	(3,001,897)	(0.050)
Forfeited	(3,128,438)	(0.040)
RSUs outstanding, December 31, 2022	29,889,339	\$ 0.040
Vesting Schedule		
Immediate		10,357,568
over 1 year		19,531,771

The following table reflects the actual restricted share units outstanding as of December 31, 2022:

RSU price (CAD\$)	RSUs Outstanding	Weighted Average Exercise Price (CAD)	Weighted Avg Remaining Contractual Life (Yrs.)	RSUs Exercisable
At \$0.05	27,317,443	\$ 0.050	5.20	7,785,672
At \$0.07	2,571,896	\$ 0.070	2.09	2,571,896

20. INCOME TAX

The Company's provision for income taxes differs from the amounts computed by applying the basic current rate of 26.5% for Ontario to income for the year before taxes as shown in the following table:

	December 31, 2022	January 31, 2022 (restated Note 2)
Loss before income taxes	\$ (11,046)	\$ (12,336)
Statutory rate	26.5%	26.5%
Expected income tax recovery at combined basic federal and provincial tax rates	(2,927)	(3,269)
Effect on income taxes of:		
Share-based payment expense	217	303
Other permanent differences	1,401	1,023
Share issue costs recorded directly to equity	-	(186)
Difference in foreign tax rates	9	(30)
Changes in tax benefits not recognized	2,186	2,159
Income tax recovery	\$ 886	\$ -

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Deferred income taxes

Deferred income taxes are provided as a result of temporary differences that arise due to the differences between the income tax values and the carrying values of assets and liabilities. The temporary differences and unused tax losses that give rise to deferred income tax assets are presented below:

	December 31, 2022	January 31, 2022 (restated Note 2)
Non-capital and capital losses carried forward	\$ 4,166	\$ 2,644
Capital assets	791	109
Deferred financing fees and other	215	233
Deferred tax assets	5,172	2,986
Less: deferred tax assets not recognized	(5,172)	(2,986)
Net deferred tax assets (liability)	\$ -	\$ -

As at December 31, 2022, the Company had non-capital and capital tax losses of \$15,795,000, available to use against future taxable income for income tax purposes. The non-capital losses expire from 2026 through 2043.

21. FINANCIAL INSTRUMENTS**Fair value**

Financial instruments of the Company consist of cash, investments, receivables, other receivables, accounts payable and accrued liabilities, short term bank credit facility, other payables, related party payables, and long term loans. There are no significant differences between the carrying amounts of the items reported on the statements of financial position and their estimated fair values.

The Company has determined the estimated fair values of its financial instruments based on appropriate valuation methodologies. Where quoted market values are not readily available, the Company may use considerable judgment to develop estimates of fair value. Accordingly, any estimated values are not necessarily indicative of the amounts the Company could realize in a current market exchange and could be materially affected by the use of different assumptions or methodologies.

The Company's risk exposures and their impact on the Company's financial instruments are summarized below:

Credit risk

Credit risk arises when a failure by counterparties to discharge their obligations could reduce the amount of future cash inflows from financial assets on hand at the balance sheet date. The Company closely monitors the activities of its counterparties and controls the access to its intellectual property which enables it to ensure the prompt collection of customers' balances. The Company's main financial assets are cash and cash equivalents as well as other receivables.

Wherever possible and commercially practical the Company holds cash with major financial institutions in Canada and Israel.

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date is:

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Financial Instrument	December 31, 2022	January 31, 2022 (restated Note 2)
Cash and cash equivalents	\$ 397	\$ 4,200
Restricted deposits	54	-
Accounts receivable	435	-
Other receivables	53	55
Total	\$ 939	\$ 4,255

Currency risk

Currency risk is the risk that the value of financial instruments will fluctuate due to changes in foreign exchange rates. Currency risk arises when future commercial transactions and recognized assets and liabilities are denominated in a currency that is not the Company's functional currency. The Company is exposed to foreign exchange risk arising from various currency exposures primarily with respect to the Canadian dollar, New Israeli Shekel, AUD, and GBP. The Company's policy is not to enter into any currency hedging transactions.

The carrying amounts of the Company's foreign currency denominated monetary assets and monetary liabilities at the reporting date are as follows:

	CAD	NIS	AUD	GBP	Total
Financial assets					
Cash and cash equivalents	\$ 378	\$ 1	\$ 14	\$ 4	397
Restricted cash	-	54	-	-	54
Accounts receivables	-	377	22	36	435
Other receivables	19	34	-	-	53
	397	466	36	40	939
Financial Liabilities					
Accounts payable and accrued liabilities	174	475	20	21	690
Short-term bank credit	-	238	-	-	238
Other payables	-	564	12	30	606
Related party payables	-	370	-	-	370
Long term loans	-	32	-	-	32
	174	1679	32	51	1936
Net	\$ 223	\$ (1,213)	\$ 4	\$ (11)	\$ (997)

Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market prices comprise four types of risk: interest rate risk, foreign exchange risk, commodity price risk and other price risk, such as equity risk. Financial instruments affected by market risk include investments, digital currencies and short and long term borrowings.

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Interest rate risk

The Company is exposed to interest rate risk. Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in market interest rates. The Company is exposed to interest rate risk arising from fluctuations in interest rates received on its cash balance. Fluctuations in market interest rates do not have a significant impact on the Company's results of operations due to the short-term nature of interest-bearing cash.

The Company also has interest bearing long-term loans which have fixed rate interest rates until maturity and are therefore not subject to fluctuations in market interest rates until maturity.

Liquidity risk

Liquidity risk is the risk that arises when the maturity of assets and the maturity of liabilities do not match. An unmatched position potentially enhances profitability, but can also increase the risk of loss. The Company has procedures with the object of minimizing such losses by maintaining sufficient cash and other highly liquid current assets and by having available an adequate amount of committed credit facilities.

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.

Financial Instrument	Up to 1 year	Between 1 and 2 year
Accounts payable and accrued liabilities	\$ 690	\$ -
Short-term bank credit	238	-
Other payables	606	-
Related party payables	370	-
Long term loans	-	32
Lease liabilities	41	-
Total	\$ 1,945	\$ 32

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22. RELATED PARTY TRANSACTIONS AND KEY MANAGEMENT COMPENSATION

Key management compensation

Key management includes members of the board of directors, the Chief Executive Officer and the Chief Financial Officer. The aggregate value of transactions relating to key management personnel and entities over which they have control or significant influence were as follows for the period ended December 31, 2022, and January 31, 2022:

	December 31, 2022	2021 Restated (Note 2)
CEO		
Short term compensation	\$ 177	\$ 149
Share based payments	153	181
Total CEO compensation	330	330
CFO		
Short term compensation	65	74
Share based payments	3	26
Total CFO compensation	68	100
Directors		
Short term compensation	136	29
Share based payments	258	408
Total Directors compensation	394	437
	\$ 792	\$ 867

Related party loans

The Company has non-interest bearing on demand loan from the Company's CEO and Director, Yossi Nevo of \$370,000.

23. COMMITMENTS

The Company has no commitments as at December 31, 2022.

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24. SUBSEQUENT EVENTS

- a) The Company announced on February 1, 2023, it had completed an offering of secured convertible debentures (the “Debentures”) and common share purchase warrants (“Warrants”) to arm’s length parties for aggregate gross proceeds of CAD\$600,000. The offering was structured as notional units consisting of one (1) CAD\$1,000 aggregate principal Debenture, maturing nine (9) months from the date of issuance (the “Maturity Date”), and 33,333.333 share purchase warrants of Spetz (the “Warrants”).

Each Warrant entitles the holder thereof to subscribe for one common share in the capital of the Company (a “Common Share”) at an exercise price of \$0.05 for a period of three (3) years from the date of issuance. The Debentures shall bear interest at a rate of 1% per month, calculated monthly in advance, and shall be payable, in cash, quarterly. The Company reserves the right to repay the Debentures, without penalty, in whole or in part, prior to the Maturity Date, on 30 days prior written notice to the holders of the Debentures in advance of repayment or redemption. The principal amount of each Debenture shall be convertible, for no additional consideration, into Common Shares at the option of the holder at any time prior to the Maturity Date at a conversion price equal to \$0.05 per Common Share (the “Conversion Price”). The Company may require the holders of the Debentures to effect the conversion of the entire principal amount owed thereunder at the Conversion Price, upon giving the holders of the Debentures not less than 30 days prior written notice, in the event that and only for so long as on the date prior to the date of notice, the 15 day volume weighted average trading price of the Common Shares on the Canadian Securities Exchange (the “CSE”) is equal or greater than \$0.12.

- b) The Company announced subsequent to year end, that it has entered into an amending agreement (the “Amendment”) with respect to an unsecured, convertible note, dated December 29, 2021 (the “Note”), through which the Company had invested \$250,000 (the “Principal Amount”) into MADA Analytics Ltd. (“MADA”). As per the terms of the Note, MADA had agreed to pay interest on the Principal Amount at a rate of 5% per annum to the Company. The Principal Amount, including any interest accrued thereon, was due and had become mature on December 29, 2022. Pursuant to the Amendment, the Company and MADA have agreed to an extension of the maturity date, to allow for the repayment of the Principal Amount by MADA in ten (10) quarterly installments to the Company, in amounts ranging from \$20,000 to \$30,000. In addition to the foregoing, as per the terms of the Amendment, interest shall accrue on the Principal Amount at a rate of 8% per annum from the date of the Amendment.
- c) The Company has issued subsequent to year end, 13,767,401 in RSUs to directors and consultants to for services provided in the amount of CAD\$228,000.

25. DISCONTINUED OPERATIONS

During the period ended December 31, 2022, the Company decided that it would discontinue supporting and developing its Cryptohawk.ai application and put the Company’s entire focus on the Spetz operations. The Company had commenced winding down these operations by the end of the fiscal year. Assets classified as held for sale include investments held by the Company which are no longer core to the Company’s strategy and the digital currencies it holds.

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Below represents the net assets held as discontinued:

	December 31, 2022	January 31, 2022 (restated Note 2)
Assets		
Accounts receivable	\$ -	\$ -
Investments	500	5,716
Digital currencies	-	1,438
Total assets held for sale	\$ 500	\$ 7,154
Liabilities		
Deferred revenue	-	3
Total liabilities held for sale	-	3
Net assets of discontinued operations	\$ 500	\$ 7,151

Below represents the discontinued operations for the period ended December 31, 2022 and year ended January 31, 2022:

(Expressed in thousands of United States dollars)

<i>For the 11 months ended December 31, 2022 and the year ended January 31, 2022</i>	2022	January 31, 2022 (restated Note 2)
Revenue		
Concession fees	\$ -	\$ 504
Consulting fees	500	74
	500	578
Expenses		
Consulting fees	557	1,769
Professional fees	43	122
Sales and marketing expenses	125	216
Business development	268	847
General and Administration	148	82
Depreciation and Amortization expenses	-	1,831
Research expenses	147	257
Total expenses	1,288	5,124
Realized gain/(loss) on sale of digital currencies	15	(567)
Unrealized loss on digital currencies	(437)	-
Foreign exchange gain	-	-
Unrealized loss on investments	(5,022)	(738)
Realized gain on sale of DCC	-	(3)
Impairment on intangible assets	-	(1,613)
Loss before income taxes	(6,232)	(7,467)
Income tax	-	-
Net loss from discontinued operations	\$ (6,232)	\$ (7,467)
Other comprehensive income/(loss)		
Foreign exchange loss on translating foreign operations	-	113
Unrealized gain/(loss) on digital currencies	(596)	596
Other comprehensive income/(loss) for the period	(596)	709
Comprehensive loss for the period	(6,828)	(6,758)

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Cash flows from discontinued operations are as follows for the period ended December 31, 2022 and the year ended January 31, 2022:

	December 31,	January 31, 2022
	2022	(restated Note 2)
Cash flows from Operating Activities		
Net Loss for the year	\$ (6,232)	\$ (7,467)
Non-cash items:		
Realized (gain)/loss on digital currencies	(15)	567
Impairment of intangible assets	-	1,613
Unrealized loss on digital currencies	437	-
Foreign exchange gain	(235)	166
Amortization expense	-	1,804
Unrealized loss on investments	5,022	654
Net change in non-cash working capital items:		
Accounts receivable	-	93
Deferred revenue	(3)	3
Accounts payable and accrued liabilities	-	142
Cash used in operating activities	\$ (1,026)	\$ (2,425)

26. COMPARATIVE FIGURES

Certain comparative figures have been reclassified to conform to the current period's presentation.