Voxtur Analytics Corp.

Unaudited Condensed Interim Consolidated Financial Statements

For the three months ended March 31, 2024, and 2023

(In thousands of Canadian dollars, except per share amounts)

MANAGEMENT'S COMMENTS ON UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

NOTICE OF NO AUDIT OR REVIEW OF INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

These unaudited condensed interim consolidated financial statements of Voxtur Analytics Corp. (the "Company") have been prepared by management and approved by the Audit Committee and the Board of Directors of the Company. In accordance with National Instrument 51-102 released by the Canadian Securities Administrators, if a Company chooses to not have its interim financial statements reviewed by its auditor, the Company must disclose that its external auditors have not reviewed the interim financial statements. These unaudited condensed interim consolidated financial statements have not been reviewed by the Company's auditor.

Voxtur Analytics Corp.
Unaudited Condensed Interim Consolidated Statements of Financial Position
(In thousands of Canadian dollars)

As at	**Note**		**March 31, 2024**		**Audited** **December 31, 2023**
Assets					
Current Assets:					
Cash		$	2,359	$	5,626
Trade and other receivables, net	*20*		6,546		7,234
Trade receivables, due from related parties, net	*13*		-		20
Contract assets			517		493
Prepaid expenses and other current assets			926		1,293
			10,348		14,666
Non-current Assets:					
Other non-current assets			368		368
Contract assets			239		306
Investment	*21*		3,722		3,642
Interest in joint ventures			292		286
Right-of-use assets	*7*		1,489		1,570
Equipment			363		393
Intangible assets	*5*		57,098		58,897
Goodwill	*6*		21,819		21,576
			85,390		87,038
Total Assets		$	95,738	$	101,704
Liabilities and Shareholders' Equity					
Current Liabilities:					
Line of credit	*10*	$	1,000	$	1,000
Accounts payable and accrued liabilities			6,144		7,194
Unearned revenue	*8*		5,054		4,522
Lease obligations	*9*		381		406
Current portion of long-term debt	*10*		36,174		35,399
Deferred consideration			778		778
			49,531		49,299
Non-current Liabilities:					
Accrued liabilities			760		622
Unearned revenue	*8*		808		941
Lease obligations	*9*		1,227		1,275
Convertible debentures			4		4
Preferred share liability	*11*		3,887		3,868
Deferred tax liability			876		876
			7,562		7,586
Shareholders' Equity			38,645		44,819
Total Liabilities and Shareholders' Equity		$	95,738	$	101,704
Going concern uncertainty	*2(a)*				
Commitments and contingencies	*19*				
Subsequent events	*22*				

The accompanying notes are an integral part of these Unaudited Condensed Interim Consolidated Financial Statements.

Voxtur Analytics Corp.
Unaudited Condensed Interim Consolidated Statements of Loss and Comprehensive Loss
(In thousands of Canadian dollars, except per share amounts)

	Note		Three months ended March 31, 2024		Three months ended March 31, 2023
Revenue	*13, 14*	$	13,376	$	12,637
Direct operating expenses			4,358		4,800
Gross profit			9,018		7,837
Other operating expenses:					
Technology and operations			7,114		6,541
Selling and business development			1,030		1,648
General and administration			7,723		12,215
			15,867		20,403
Loss from operations			(6,849)		(12,566)
Change in contingent consideration			-		183
Dividend expense	*11*		(138)		(122)
Finance costs, net	*16*		(1,390)		(2,063)
Foreign exchange gain (loss)			2,589		(129)
Loss for the period before income tax		$	(5,788)	$	(14,697)
Income tax recovery			62		-
Net loss from continuing operations		$	(5,726)	$	(14,697)
Net income from discontinued operations	*4*	$	-	$	888
Net loss for the period		$	(5,726)	$	(13,809)
Other comprehensive income (loss):					
Items that will not be reclassified to loss for the period:					
Change in fair value of investment	*21*		80		53
Foreign exchange gain on the translation of foreign continuing operations			(2,252)		(431)
Foreign exchange gain on the translation of foreign discontinued operation	*4*		-		(32)
			(2,172)		(410)
Comprehensive loss for the period		**$**	**(7,898)**	**$**	**(14,219)**
Weighted average number of common shares					
Basic and diluted	*17*		711,893,300		583,994,607
Loss per share from continuing operations					
Basic and diluted	*17*	$	(0.01)	$	(0.03)
Income per share from discontinued operation					
Basic and diluted	*17*	$	-	$	-

The accompanying notes are an integral part of these Unaudited Condensed Interim Consolidated Financial Statements.
Comparative periods have been restated due to a discontinued operation and change in classification as discussed in Note 4.

Voxtur Analytics Corp.
Unaudited Condensed Interim Consolidated Statements of Changes in Shareholders' Equity
(In thousands of Canadian dollars)

Three months ended March 31, 2024

	Note	Common share capital	Warrant capital	Contributed surplus	Other reserve	Deficit	AOCI[1]	Total Equity
Balance at December 31, 2023		$ 299,407	$ 4,484	$ 28,917	$ 28,876	$ (325,113)	$ 8,248	$ 44,819
Net loss for the period		-	-	-	-	(5,726)	-	(5,726)
Other comprehensive income:								-
Change in fair value of investment	*21*	-	-	-	-	-	80	80
Foreign exchange gain on the translation of foreign operations		-	-	-	-	-	(2,252)	(2,252)
Comprehensive loss for the period		-	-	-	-	(5,726)	(2,172)	(7,898)
Issuance of common shares and warrants	*12 (a)*	3,028	-	-	(2,528)	-	-	500
Conversion of performance share units		274	-	(274)	-	-	-	-
Share-based compensation	*15*	-	-	1,224	-	-	-	1,224
Balance at March 31, 2024		$ 302,709	$ 4,484	$ 29,867	$ 26,348	$ (330,839)	$ 6,076	$ 38,645

Three months ended March 31, 2023

	Note	Common share capital	Warrant capital	Contributed surplus	Other reserve	Deficit	AOCI[1]	Total Equity
Balance at December 31, 2022		$ 270,722	$ 469	$ 25,414	$ 40,807	$ (269,982)	$ 7,367	$ 74,797
Net loss for the period		-	-	-	-	(14,697)	-	(14,697)
Income from discontinued operation	*4*					888	(32)	855
Other comprehensive income (loss):								
Change in fair value of investment	*21*	-	-	-	-	-	53	53
Foreign exchange gain on the translation of foreign operations		-	-	-	-	-	(431)	(431)
Comprehensive loss for the period		-	-	-	-	(13,809)	(410)	(14,219)
Issuance of common shares, warrants and convertible debentures		2,528	-	-	(2,528)	-	-	-
Share-based compensation	*15*	-	-	3,317	-	-	-	3,317
Balance at March 31, 2023		$ 273,250	$ 469	$ 28,731	$ 38,279	$ (283,791)	$ 6,957	$ 63,895

[1] *AOCI is defined as Accumulated other comprehensive income.*

The accompanying notes are an integral part of these Unaudited Condensed Interim Consolidated Financial Statements.

Comparative periods have been restated due to a discontinued operation and change in classification as discussed in Note 4.

Voxtur Analytics Corp.

Unaudited Condensed Interim Consolidated Statements of Cash Flows

(In thousands of Canadian dollars)

Three months ended	Note	March 31, 2024	March 31, 2023
Cash flows from operating activities			
Net loss from continuing operations		$ (5,726)	$ (14,697)
Income from discontinued operation		-	888
Adjustments to reconcile from net loss to cash flows from operating activities:			
Dividend expense	*11*	138	122
Depreciation of equipment		30	98
Amortization of intangible assets	*5*	2,816	3,620
Depreciation of right-of-use assets	*7*	114	126
Unrealized foreign exchange gain		(2,657)	(790)
Change in contingent consideration		-	(183)
Finance costs, net	*16*	1,390	2,064
Income tax recovery		(62)	-
Share-based compensation expense		1,224	3,317
		(2,733)	(5,435)
Changes in non-cash operating assets and liabilities	*18*	462	(2,413)
Interest paid		(815)	(1,197)
Interest received		15	1
Cash used in operating activities		(3,071)	(9,044)
Cash flows from financing activities			
Repayment of lease obligations	*9*	(133)	(183)
Repayment of long-term debt	*10*	(125)	(1,138)
Proceeds from sale of promissory note	*13*	-	10,430
Proceeds from credit facility	*10*	-	1,000
Cash provided by (used in) financing activities		(258)	10,109
Cash flows from investing activities			
Purchase of equipment		(4)	-
Cash used in investing activities		(4)	-
Increase (decrease) in cash for the period		(3,333)	1,065
Effect of exchange rate fluctuations on cash		66	99
Cash - beginning of period		5,626	5,908
Cash - end of period		$ 2,359	$ 7,072

The accompanying notes are an integral part of these Unaudited Condensed Interim Consolidated Financial Statements.

Comparative periods have been restated due to a discontinued operation and change in classification as discussed in Note 4.

1. Corporate Information

Voxtur Analytics Corp. (the "Company") is a real estate technology company which specializes in the real estate finance lifecycle. The Company offers automated workflows and targeted data analytics to simplify property valuation, default solutions, tax solutions and title and settlement services for investors, lenders, government agencies and mortgage servicers. The Company's proprietary data hub and platforms value assets, service loans, securitize portfolios and evaluate tax assessments. The Company serves the property lending and property tax sectors, both public and private, in the United States ("US") and Canada.

The Company's registered office is located at 543 Ridout Street N, London, Ontario, Canada.

The Company's shares are traded in Canada on the TSX Venture Exchange ("TSX-V") under the symbol VXTR and in the US on the OTCQB under the symbol VXTRF.

2. Basis of Presentation

(a) Going concern uncertainty

Throughout 2020 and 2021, the Company was impacted by the global COVID-19 pandemic and specifically the moratorium on foreclosures under the CAREs act. The moratorium was lifted for all foreclosures as of December 31, 2021. During 2022 and 2023, the Company has seen a gradual return to pre- pandemic levels for mortgage defaults and default related valuation, title, and settlement volumes. During this same time period, volumes related to purchase closings and refinance have decreased due to the increase in interest rates coupled with higher inflation, housing costs and limited housing supply. To date, the volume reduction from purchase closing and refinance work have exceeded the volume increase from the default ramp up. The Company anticipates that over the next approximate twelve months this trend will change and the increase in volumes derived from defaults will exceed any volume reductions in purchase closings and/or refinances.

As a result of these events or conditions, there exists a material uncertainty that casts significant doubt about the Company's ability to continue as a going concern and, therefore, realize its assets and discharge its liabilities in the normal course of business for at least the next twelve months.

In order to continue as a going concern, the Company will be required to attain its projected cash flows through achievement of successful integration its business acquisitions, its planned growth initiatives, to obtain continued support from its lender or to raise additional financing through the sale of its debt and equity securities, and/or disposition of non-core assets.

The Unaudited Condensed Interim Consolidated Financial Statements ("Interim Financial Statements") have been prepared on a going concern basis, which assumes the Company will continue its operations in the foreseeable future and will be able to realize its assets and discharge its liabilities and commitments in the ordinary course of business. The Company incurred a net loss from continuing operations of $5,726 during the three months ended March 31, 2024 (three months ended March 31, 2023 –$14,697). As at March 31, 2024, the Company had an accumulated deficit of $330,839 (as at December 31, 2023 - $325,113) and a working capital deficiency of $39,186 (as at December 31, 2023 $34,633), primarily related to the reclassification of the long term portion of debt as current, as discussed below.

As at March 31, 2024, the Company was not in compliance with its financial covenants with respect to its credit facilities. The Company does not have an unconditional right to defer its settlement of the term loans payable for at least twelve months from March 31, 2024, without obtaining a "cure" to the covenant violation. Therefore, in accordance with IFRS, the Company classified the non-current portion of credit facilities, in the amount of $29,580, as a current liability. In April 2024, amendments to the Company's credit agreement (the "Amendment") were executed, which waives breaches of covenants that existed prior to the date of the Amendment, and establishes revised covenants, as discussed in Note 22.

(In thousands of Canadian dollars, except per share amounts)

The Interim Financial Statements do not include any adjustments to the carrying values and classification of assets and liabilities and reported expenses that may be necessary if the going concern basis was not appropriate for these Interim Financial Statements. These adjustments could be material.

(b) Statement of compliance

These Interim Financial Statements have been prepared in accordance with IAS 34, Interim Financial Reporting as issued by the International Accounting Standards Board ("IASB"). The notes presented in these Interim Financial Statements include only significant changes and transactions occurring since the Company's last year end and are not fully inclusive of all disclosures required by International Financial Reporting Standards ("IFRS") for annual financial statements. These Interim Financial Statements should be read in conjunction with the Company's annual audited consolidated financial statements as at and for the year ended December 31, 2023, which are available on SEDAR+.

These Interim Financial Statements for the three months ended March 31, 2024 and 2023 were authorized for issuance by the Board of Directors of the Company on May 29, 2024.

(c) Consolidation

The Interim Financial Statements comprise the subsidiaries presented below.

Subsidiary[1]	Voting Securities	Jurisdiction of Incorporation	Year End	Functional Currency
Voxtur Technologies U.S., Inc.	100%	Delaware	December 31	USD
Voxtur Settlement Services, LLC	100%	Florida	December 31	USD
Clarocity Inc.[2]	100%	Delaware	December 31	USD
iLOOKABOUT Inc.	100%	Ontario	December 31	CAD
MTAG Paralegal Professional Corporation[3]	0%	Ontario	December 31	CAD
Voxtur Analytics US Corp[4]	100%	Delaware	December 31	USD
Appraisers Now Ltd.	100%	Alberta	December 31	CAD
Voxtur Appraisal Services, LLC[4]	100%	Texas	December 31	USD
RealWealth Technologies, LLC	100%	Delaware	December 31	USD
Voxtur Data Services, Inc.	100%	California	December 31	USD
Municipal Tax Equity Consultants Inc.	100%	Ontario	December 31	CAD
MTE Paralegal Professional Corporation[3]	0%	Ontario	December 31	CAD
Blue Water Financial Technologies Holding Company, LLC[5]	100%	Minnesota	December 31	USD

All intercompany balances and transactions are eliminated in preparing the Interim Financial Statements.

Notes:

1. Subsidiaries are legal entities controlled by the Company. Control exists when the Company has power to direct the relevant activities of an entity and is exposed to or has rights to variable returns from its involvement with the entity. In certain circumstances, the Company may have control over an entity in which it does not own more than 50% voting interest. In making this determination, the Company considers all relevant facts and circumstances in assessing whether it has power over the entity including rights arising from contractual arrangements that allow the Company to direct the relevant activities and be exposed to variable returns of the entity, among other considerations.
2. Clarocity Inc. owns 100% of the voting securities of each of Voxtur Valuation, LLC (previously known as Clarocity Valuation Services, LLC), a Kansas limited liability company, and Valuation Vision Inc., a California corporation (together, "Clarocity Group"), and owns 100% of the voting securities of iLOOKABOUT (US) Inc, a Delaware corporation. Each of these subsidiaries have a December 31 year end.
3. As required under the Law Society Act (Ontario) and applicable regulations, MTAG Paralegal Professional Corporation is a separate professional corporation. While the Company does not have any voting rights in this entity, the Company controls the entity through contractual arrangements. MTE Paralegal Professional Corporation is wholly owned by MTAG Paralegal Professional Corporation.
4. Voxtur Analytics US Corp owns 100% of the voting securities of RealWealth Technologies LLC, Voxtur Services LLC (previously known as Xome Services, LLC), Appraisers Now US LLC, Voxtur Settlement Services LLC (previously known as BrightLine Title LLC), Voxtur Technologies US Inc., Voxtur Data Services, Inc. (previously known as Benutech Inc.) and Blue Water Financial Technologies Holding Company, LLC. See note 23 – Subsequent Events, with respect to Voxtur Services, LLC. See note 4 – Disposal with respect to Voxtur Services, LLC and Voxtur Appraisal Services, LLC.
5. Blue Water Financial Technologies Holding Company, LLC owns 100% of the voting shares of each of Blue Water Financial Technologies Services, LLC, a Minnesota limited liability company, and Blue Water Financial Technologies, LLC, a Delaware limited liability company. Each of these subsidiaries have a December 31 year end.

(d) Basis of measurement

These Interim Financial Statements are prepared mainly on the historical cost basis, except for the investment, derivative financial instruments and contingent consideration which are measured at fair value. Assets and liabilities acquired in a business combination are measured at fair value at the date of acquisition.

The Interim Consolidated Statements of Loss and Comprehensive Loss are presented using the functional classification for expenses.

(e) Functional and presentation currency

These Interim Financial Statements are presented in Canadian dollars ("CAD"), which is the Company's presentation currency. Functional currency is also determined for each of the Company's subsidiaries, and items included in the financial statements of the subsidiary are measured using that functional currency.

3. Material Accounting Policies

These Interim Financial Statements follow the same accounting policies and methods of application as the consolidated financial statements as at and for the year ended December 31, 2023.

(In thousands of Canadian dollars, except per share amounts)

4. Discontinued operation

On November 1, 2023, the Company finalized the sale of its wholly owned appraisal management company ("AMC") business for $35,135 ($25,324 USD).

Results of discontinued operations

	Three months ended March 31, 2023
Revenue	16,106
Direct operating expenses	10,432
Gross profit	**5,674**
Other operating expenses	4,785
Finance costs, net	(1)
Income from discontinued operations after tax	**888**
Gain on sale of discontinued operations	-
Net income from discontinued operations after tax	**888**
Other comprehensive income (loss):	
Foreign exchange gain (loss) on translation of foreign operations	(32)
Comprehensive income from discontinued operation for the period	**855**

Cash flows provided by (used in) discontinued operations

For period ended		**March 31, 2023**
Net cash provided by operating activities		2,182
Net cash provided by investing activities		-
Net cash (outflows) inflows for the period	**$**	**2,182**

Cash used in financing activities primarily relates to inter-company transfers of funds.

(In thousands of Canadian dollars, except per share amounts)

Effect of disposal on the financial position of the Company

		USD	CAD
Trade and other receivables, net		(3,098)	(4,299)
Prepaid expenses and other current assets		(67)	(93)
Intangible assets		(10,397)	(14,425)
Goodwill		(7,905)	(10,967)
Accounts payable and accrued liabilities		2,194	3,044
Unearned revenue		144	200
Net assets and liabilities	**$**	**(19,130)**	**(26,541)**
Consideration received in cash		23,566	32,695
Cash and cash equivalents disposed of		(102)	(141)
Net cash inflows	**$**	**23,464**	**32,554**

Components of consideration

Consideration received at closing		23,566	32,695
Consideration in escrow		1,600	2,220
Working capital adjustments		158	219
Total consideration	**$**	**25,324**	**35,135**

5. Intangible assets

Cost		**Computer Software**		**Customer Relationships**		**Tradenames**		**Total**
At December 31, 2023	$	66,043	$	24,508	$	4,535	$	95,086
Effect of movement in exchange rates		1,100		175		82		1,357
At March 31, 2024	$	67,143	$	24,683	$	4,617	$	96,443

Amortization		**Computer Software**		**Customer Relationships**		**Tradenames**		**Total**
At December 31, 2023	$	18,506	$	15,761	$	1,922	$	36,189
Amortization		2,369		263		184		2,816
Effect of movement in exchange rates		262		43		35		340
At March 31, 2024	$	21,137	$	16,067	$	2,141	$	39,345

Carrying amounts								
At March 31, 2024	$	46,006	$	8,616	$	2,476	$	57,098
At December 31, 2023	$	47,537	$	8,747	$	2,613	$	58,897

The intangible assets related to operations in the United States are $54,880 (as at December 31, 2023 - $56,559). The intangible assets related to operations in Canada are $2,218 (as at December 31, 2023 - $2,338).

(In thousands of Canadian dollars, except per share amounts)

6. Goodwill

For the purposes of impairment testing, goodwill has been allocated to the following Cash Generating Units ("CGU"):

	Apex	Anow	Data Services	Capital Markets	Tax Consulting	Total
At December 31, 2023	$ 913	$ 8,634	$ 5,089	$ 5,085	$ 1,855	$ 21,576
Effect of movement in exchange rates	20	-	111	112	-	243
At March 31, 2024	$ 933	$ 8,634	$ 5,200	$ 5,197	$ 1,855	$ 21,819

No indicators of impairment were identified for the period ended March 31, 2024.

7. Right-of-use assets

The following table presents the right-of-use assets for the Company:

	Offices	Vehicles	Total right-of-use assets
Balance, December 31, 2023	$ 1,532	$ 38	$ 1,570
Depreciation	(111)	(3)	(114)
Effect of movement in exchange rates	33	-	33
Balance, March 31, 2024	$ 1,454	$ 35	$ 1,489

The Right-of-use assets related to operations in the United States are $1,420 (December 31, 2023 - $1,634). The Right-of-use assets related to operations in Canada are $69 (December 31, 2023 - $63).

8. Unearned revenue and remaining performance obligations

The following table presents changes in the unearned revenue balance:

Balance, December 31, 2023	$ 5,463
Amounts invoiced and revenue unearned as at the end of the period	5,862
Recognition of unearned revenue that was included in the adjusted balance at the beginning of the period	(5,463)
Balance, March 31, 2024	$ 5,862

Current	$ 5,054
Non-current	808
Total unearned revenue	$ 5,862

Remaining Performance Obligations

Revenue allocated to remaining performance obligations represents contracted revenue that has not yet been recognized ("contracted unrecognized revenue") and includes both unearned revenue, being amounts invoiced for which services have not yet been provided, and amounts that will be invoiced and recognized as revenue in future periods. As at March 31, 2024, contracted unrecognized revenue was approximately $6,921 of which the Company expects to recognize an estimated 70% over the next 12 months and the remainder thereafter (December 31, 2023 - $6,374 and 67%, respectively).

(In thousands of Canadian dollars, except per share amounts)

9. Lease obligations

The Company's leases are for office space and vehicles. Certain of these leases contain renewal options. The Company has included renewal options in the measurement of lease obligations when it is reasonably certain that the Company will exercise the renewal option.

Balance, December 31, 2023	$	1,681
Interest on lease obligation		26
Lease payments		(133)
Effect of movement in exchange rates		34
Balance, March 31, 2024	$	1,608

Current	$	381
Non-current		1,227
Total lease obligations	$	1,608

The following table presents the contractual undiscounted cash flows for lease obligations:

Less than one year	$	439
One to five years		1,339
More than five years		4
Total undiscounted lease obligations	$	1,782

10. Long-term debt

		March 31, 2024		December 31, 2023
(a) Term Loan B	$	733	$	855
(b) Term Loan C		530		530
(c) Term Loan D		34,911		34,014
	$	**36,174**	**$**	**35,399**

(a) <u>Term Loan B</u>

Term Loan B was granted under the Business Credit Availability Program ("BCAP"). The BCAP is a standardized guarantee program offered by Export Development Canada in response to the COVID-19 pandemic. With respect to Term Loan B, the Company has drawn $2,000. Proceeds net of transaction costs were $1,970. The Company paid interest only for the first twelve months of the term, and thereafter shall pay interest and monthly principal repayments of $42 based on amortization over four years. Pricing is set at Canadian Prime Rate plus 5.0% per annum. Effective interest of $25 was recognized during the three months ended March 31, 2024 (three months ended March 31, 2023 - $32). The maturity date of Term Loan B is October 1, 2025.

(In thousands of Canadian dollars, except per share amounts)

Balance, December 31, 2023	**$**	**855**
Amortization of financing costs		3
Repayment		(125)
March, December 31, 2024	**$**	**733**

(b) Term Loan C

Term Loan C was established in February 2021. With respect to Term Loan C, the Company has drawn $27,000. Proceeds net of transaction costs were $26,413. In September 2022, in connection with the establishment of Term Loan D, noted below, Term Loan C repayment terms were revised. For the first six months, commencing September 2022, the Company paid interest only. Thereafter, the Company was to make principal and interest payments, with such principal payments being equal to $500 per month. Pricing is set at Bank of Montreal's Prime Rate plus 4.0% per annum. Effective interest of $nil was recognized during the three months ended March 31, 2024 (three months ended March 31, 2023 - $600). The maturity date of this facility is September 2025, however, in November 2023, the Company fully repaid the then outstanding balance of Term Loan C, except for an exit fee of $530.

(c) Term Loan D

Term Loan D was established in September 2022. With respect to Term Loan D, the Company has drawn $40,491 CAD ($30,000 USD). Proceeds net of transaction costs were $39,372 CAD. Principal amounts under this term facility shall amortize over eight years. The Company paid interest only for the first six months of the term. Thereafter, the Company is required to make interest and principal payments, with such principal payments being equal to $375 USD per month. Commencing in April 2023, the Bank of Montreal provided for deferral of principal payments. As at March 31, 2024, deferred principal payments with respect to Term Loan D totaled $5,586 ($4,125 USD). Under the terms of the loan, at maturity in September 2025, the Company will repay the full remaining principal balance. Pricing is set at Bank of Montreal's US Prime Rate plus 4.0% per annum. Effective interest of $1,155 was recognized during the three months ended March 31, 2024 (three months ended March 31, 2023 - $1,368). In November 2023, the Company repaid $3,817 ($2,811 USD) of the principal of Term Loan D.

		USD		**CAD**
Balance, Decmber 31, 2023	**$**	**25,667**	**$**	**34,014**
Amortization of financing costs		112		151
Effect of movement in exchange rates		-		746
Balance, March 31, 2024	**$**	**25,779**	**$**	**34,911**

(d) Revolving credit facility

The Company has a revolving credit facility (the "Operating Facility") of $1,500 under which the availability of funds is subject to certain limitations based on accounts receivable and certain accounts payable. Interest is set at the Bank of Montreal's Prime Rate plus 2.5% per annum. Under this facility, the Company had drawn a total of $1,000 cash and has an outstanding letter of credit in place for $487 (USD$350), as at March 31, 2024 (as at December 31, 2023 - $1,000 cash and $477 in the form of a letter of credit). Effective interest of $24 was recognized during the three months ended March 31, 2024 (three months ended March 31, 2023 - $20).

(In thousands of Canadian dollars, except per share amounts)

The credit facilities contain customary financial and restrictive covenants and are secured by assets of the Company and its subsidiaries, which primarily consists of intellectual property and accounts receivable.

As at March 31, 2024, the Company was not in compliance with its financial covenants with respect to its credit facilities. The Company does not have an unconditional right to defer its settlement of the term loans payable for at least twelve months from March 31, 2024, without obtaining a "cure" to the covenant violation. Therefore, in accordance with IFRS, the Company classified the non-current portion of credit facilities, in the amount of $29,580 as a current liability. In April 2024, amendments to the Company's credit agreement (the "Amendment") were executed, which waives breaches of covenants that existed prior to the date of the Amendment and establishes revised covenants, as discussed in Note 22.

11. Preferred share liability

In October 2022, the Company issued 4,081,632 Series 2 Preference Shares ("Preference Shares") at a subscription price of $0.98 per share. These Preference Shares are fully paid, have no par value, and have the same voting rights as Common Shares. They carry a cumulative dividend of 12% per annum and are convertible into Common Shares at the option of the holder, subject to certain conversion requirements.

The key terms of the Preference Shares include the following:

- Redeemable after the third anniversary of issuance at the option of the Company at a Redemption amount of $0.98 per share plus accrued and unpaid dividends;
- Fixed and cumulative dividends at a rate of 12% per annum. Dividends shall be paid as and when declared by the Board of Directors, or the cumulative balance can be converted to Common Shares, at the option of the Company, at the market price of the Common Shares the day before the conversion right is exercised. All accrued and unpaid dividends shall accumulate and compound quarterly until paid, whether or not declared by the Board of Directors;
- Convertible to Common Shares at the option of the holder at a conversion price of $0.98 at any time within the first five years of issuance; and
- Automatically convert to Common Shares if the volume weighted average price of the Common Shares on such date, as calculated based on the 20 trading days prior to such date, is at a 10% premium or more than the conversion price of $0.98.

The liability component of these shares was recognized initially at a fair value of $3,779 net of transaction costs of $58. The fair value was determined based on the present value of the contractual principal and dividend payments to the initial redemption date, using a discount rate of 13%, being the market rate applicable to a non-convertible financial instrument at the date of issuance. Subsequent to initial recognition, the liability component will be accreted to the initial redemption date of the Preference Shares through the recording of an accretion expense using the effective interest method.

The equity component, representing the conversion option, was recognized at the fair value of $160 net of transaction costs of $2 in the conversion option reserve.

As at March 31, 2024, accrued but unpaid dividends with respect to the Preference Shares totaled $760 (as at December 31, 2023 - $622) and are included in accounts payable and accrued liabilities in the Unaudited Condensed Interim Consolidated Statements of Financial Position.

	Face Value	Liability Carring Amount
Balance, December 31, 2023	$ 4,000	$ 3,868
Accretion expense	-	14
Amortization of financing costs	-	5
Balance, March 31, 2024	**$ 4,000**	**$ 3,887**

(In thousands of Canadian dollars, except per share amounts)

12. Common share and warrant capital

			March 31, 2024		December 31, 2023	
	Expiry date	Exercise price	Issued	Amount	Issued	Amount
Issued and outstanding:						
Common shares			714,940,570	$ 302,710	701,041,685	$ 299,407
Share purchase warrants:						
Broker warrants 2022-05	May 13, 2024	1.02	367,800	149	367,800	149
Series R warrants	June 26, 2028	0.20	58,515,260	4,334	58,515,260	4,334
			58,883,060	4,483	58,883,060	4,483
Share capital and warrant capital			773,823,630	$ 307,193	759,924,745	$ 303,890

The authorized capital consists of an unlimited number of Common Shares, an unlimited number of Non-Voting Shares and an unlimited number of Preference Shares, issuable in series. The Common Shares have no par value and are each entitled to one vote. The Non-Voting Shares have no par value and are not entitled to vote. Each Non-Voting Share can be converted to one Common Share at the option of the shareholder at any time for no consideration. All issued Common Shares and Non-Voting Shares are fully paid.

The following table presents changes in common shares:

		Number of shares		Amount
Balance, December 31, 2023		**701,041,685**	**$**	**299,408**
Shares issued, acquisition	*(a)*	12,330,503		3,028
Shares issued, performance share units converted	*(b)*	1,568,382		274
Balance, March 31, 2024		**714,940,570**	**$**	**302,710**

(a) ***Common Shares issued***

Acquisition of Blue Water:

The Company issued 6,325,453 common shares of the Company in January 2024, as part of the consideration transferred to acquire Blue Water in fiscal 2022.

Acquisition of MTE:

In February 2024, the Company issued 6,005,050 common shares of the Company as part of the consideration transferred to acquire MTE in fiscal 2022.

(b) ***Conversion of performance share units***

In March 2024, the Company converted 1,568,382 performance share units to 1,568,382 common shares of the Company upon achievement of specific milestones by a performance share unit holder.

13. Related party transactions

Consulting Services:

To provide for ongoing support and development of certain software purchased from Yeoman & Company Paralegal Professional Corporation ("YCP"), in December 2014, the Company entered into a consulting agreement with YCP ("Consulting Agreement") that expires in December 2034. The Consulting Agreement provides for an annual base fee of $265, with annual increases in line with any increases in the Consumer Price Index, plus 15% of consideration received by the Company from end customers (the "YCP Fees") for use of this software. For the three months ended March 31, 2024 the Company incurred YCP Fees of $125 (three months ended March 31, 2023 – $124) under the Consulting Agreement, which was included in direct operating expense and technology expense. Two of the principals of YCP are the sons of a Director of the Company. As at March 31, 2024, outstanding amounts payable related to these agreements totaled $76 (as at December 31, 2023 - $32) and is included in accounts payable and accrued liabilities.

Service Agreements:

Effective in February 2021, the Company has entered into various service agreements (the "Support Services Agreements") with James E. Albertelli PA and affiliates, (collectively, "the JEA Group") to provide real estate technology development and support, and non-legal default services for an initial term of twenty-five years, with an automatic extension for an additional twenty-five years. The Company also provides title and settlement services to the JEA Group.

On January 1, 2023, the Company executed a promissory note with the JEA Group for the then outstanding balance of fees owed by the JEA Group to the Company under the Support Services Agreements. On February 15, 2023, the Company completed the sale of the promissory note to a third-party for cash proceeds of $10,430 ($7,818 USD).

Concurrently with the execution of the promissory note, the Support Services Agreements were amended to reflect the implementation of enhanced default technology developed by the Company, and to revise the fee structure from a cost-plus model to a per file technology fee model, whereby the JEA Group pays a fee for each file it processes using the Company's technology. The Company also generates fees from the JEA Group for technology support services, which fees are based on a fixed fee per user supported.

For the three months ended March 31, 2024, with respect to these agreements, the Company recorded revenue of $57 (three months ended March 31, 2023 - $956). As at the time that the JEA Group ceased to be a related party, outstanding amounts receivable totaled $1,517 (as at December 31, 2023 - $1,517).

The Company has also entered into agreements with the JEA Group for (i) space sharing, for the use by the Company of a portion of JEA Group's premises, equipment, furniture and improvements; and (ii) sublicensing of software by the Company from the JEA Group. With respect to these agreements, the Company incurred expenses for the three months ended March 31, 2024 of $2 (three months ended March 31, 2023 - $591) and is included in the consolidated interim statement of loss and comprehensive loss. As at March 31, 2024, outstanding amounts payable related to these agreements totaled $44 (as at December 31, 2023 - $45).

One of the principals of the JEA Group, Mr. James Albertelli was the Chief Executive Officer and a Director of the Company. As of April 13, 2023, Mr. Albertelli stepped down from his roles as Chief Executive Officer and a Director of the Company. Therefore, subsequent to April 13, 2023, the JEA Group is no longer a related party of the Company.

Rice Park Capital Management

Rice Park Capital Management is a client of the Company. A previous Director of the Company is the Managing Partner and CEO of Rice Park Capital Management. This Director resigned on March 8, 2024. Therefore, subsequent to March 8, 2024, Rice Park Capital Management is no longer a related party of the Company. For the three months ended March 31, 2024 the Company recognized revenue of $13 during the period in which Rice Park Capital Management was a related party (three months ended March 31, 2023 -$153). As at March 8, 2024, outstanding amounts receivable totaled $15 (as at December 31, 2023 - $20) and is included in the condensed interim consolidated statement of financial position. Subsequent to March 31, 2024, 100% of the outstanding balance was collected.

Consolidated Entity:

As required under the Law Society Act (Ontario) and applicable regulations, MTAG Paralegal Professional Corporation is a separate professional corporation. The Executive Chairman of the Company, a paralegal licensed in the Province of Ontario, is the sole shareholder of this professional corporation; however, the

(In thousands of Canadian dollars, except per share amounts)

Company controls the entity through contractual arrangements, which also provide that all economic benefit or loss resulting from the entity will be received by the Company. MTE Paralegal Professional Corporation is a wholly owned subsidiary of MTAG Paralegal Professional Corporation.

All of these transactions, with the exception of the note receivable, are in the normal course of operations. Each of these transactions have been measured at the transaction amounts, being the amount of consideration established and agreed to by the related parties. The above noted transactions were approved by the Board of Directors of the Company.

14. Revenue

Nature of services and geographic information:

The Company generates revenue from the provision of software and data licensing, technology managed services and settlement services. Geographically, the Company operates in the United States and Canada. Information regarding revenue by geographic area and by nature of service is presented below.

	Three months ended March 31, 2024			Three months ended March 31, 2023		
	United States	Canada	Total	United States	Canada	Total
Software and data licenses	$ 7,043	$ 77	$ 7,120	$ 6,326	$ 351	$ 6,677
Technology managed services	4,187	1,224	5,411	$ 2,497	$ 1,197	3,694
Settlement services	845	-	845	$ 2,266	$ -	2,266
Total	$ 12,075	$ 1,301	$ 13,376	$ 11,089	$ 1,548	$ 12,637

Significant customers:

Customers representing more than 10% of revenue are classified as significant customers. For the three months ended March 31, 2024, the Company had two significant customers representing 39% of total revenue. For the three months ended March 31, 2023, the Company had one significant customer representing 15% of total revenue.

Operating Segments:

To date, the Company has operated and reported its results as one operating segment. The Chief Operating Decision Makers make resource allocation decisions based on the organization as a whole.

15. Share-based compensation

Stock Options

The number and weighted average exercise prices of outstanding stock options are as follows:

	Number of Options	Weighted Average Exercise Price	Weighted Average Remaining Contractual Life in Years
Outstanding December 31, 2023	34,037,946	$ 0.39	3.3
Granted	-	-	
Outstanding March 31, 2024	34,037,946	$ 0.39	3.1

(In thousands of Canadian dollars, except per share amounts)

For the three months ended March 31, 2024, the Company recorded share-based compensation expense of $14 (for the three months ended March 31, 2023 – $177) related to stock options granted to employees and consultants, which is included in general and administration, selling and business development and technology expenses.

Deferred Share Units:

A summary of the DSUs outstanding under the share-based incentive plan is presented below:

	Number of Units
Outstanding December 31, 2023	269,681
Granted	2,065,428
Outstanding March 31, 2024	2,335,109

All of the outstanding DSUs noted above have vested.

For the three months ended March 31, 2024, the Company recorded share-based compensation expense of $116 (for the three months ended March 31, 2023 – $nil) related to DSUs to be granted to directors.

Restricted Share Units:

A summary of the Restricted Share Units ("RSUs") outstanding is presented below:

	Number of Units
Outstanding December 31, 2023	10,502,752
Granted	-
Outstanding March 31, 2024	10,502,752

At March 31, 2024, the restricted period of 10,302,752 RSUs had expired. For the three months ended March 31, 2024, the Company recorded share-based compensation expense of $13 (three months ended March 31, 2023 – $200) related to RSUs granted to employees and consultants. The value of the RSUs granted was determined based on the closing share price on the date prior to the grant of the RSUs.

Performance Share Units:

A summary of the Performance Share Units ("PSUs") outstanding is presented below:

	Number of Units
Outstanding December 31, 2023	3,764,116
Converted to common shares	(1,568,382)
Outstanding March 31, 2024	2,195,734

For the three months ended March 31, 2024, the Company recorded share-based compensation expense of $117 (for the three months ended March 31, 2023 – $nil) related to PSUs granted, which is included in selling and business development expense.

Blue Water replacement shares:

As part of the acquisition of Blue Water in fiscal 2022, the Company agreed to issue 68,792,731 common shares of the Company, as replacement share-based payment awards ("Replacement Awards") for equity-settled share-based payment awards held by employees of Blue Water. The Common shares are to be issued in three equal tranches, with the first tranche being issued immediately following the acquisition, and the second and third tranches to be issued on the first and second anniversary of the acquisition respectively. Of the total Replacement Awards, 29,517,435 were included in the calculation of consideration for the acquisition, which were fully earned as at the acquisition date. The remaining 39,275,296 Replacement Awards will be recognised as post-acquisition share-based compensation as they are earned. The expense and corresponding increase in contributed surplus in shareholders' equity are determined based on the grant date fair value of the Replacement Awards and recognized using the graded method over the period that the employees unconditionally become entitled to the awards. Upon the issuance of the common shares, the amount attributable to the Replacement Awards that was previously recognized in contributed surplus is recorded as an increase to share capital.

(In thousands of Canadian dollars, except per share amounts)

For the three months ended March 31, 2024, the Company recorded share-based compensation expense of $963 related to Replacement Awards, which is included in general and administration expenses (three months ended March 31, 2023 - $2,940).

16. Finance costs, net

	Three months ended	
	March 31, 2024	March 31, 2023
Finance income	$ 15	$ 1
Finance costs:		
Amortization of debt issuance costs	(173)	(208)
Long-term debt - interest costs	(1,206)	(1,814)
Lease obligations - interest costs	(26)	(42)
Net finance costs	**$ (1,390)**	**$ (2,063)**

17. Loss per share

For the three months ended March 31, 2024, diluted loss per share does not take into account any outstanding warrants, options, deferred share units, restricted share units or convertible debentures as their effect would be anti-dilutive for the period. As at March 31, 2024, there were a total of:

- 58,883,060 warrants outstanding (December 31, 2023 – 58,883,060);
- 34,037,946 options outstanding (December 31, 2023 – 34,037,946);
- 2,335,109 deferred share units outstanding (December 31, 2023 – 269,681);
- 2,195,734 performance share units outstanding (December 31, 2023 - 3,764,116);and
- 10,502,752 restricted share units outstanding (December 31, 2023 – 10,502,752).

18. Supplementary cash flow information

	March 31, 2024	March 31, 2023
Changes in non-cash operating assets and liabilities:		
Trade and other receivables, net	$ 695	$ 532
Trade receivables, due from related parties, net	13	259
Contract assets	43	(13)
Prepaid expenses and other assets	367	121
Accounts payable and accrued liabilities	(1,055)	(3,477)
Unearned revenue	399	165
	$ 462	**$ (2,413)**

(In thousands of Canadian dollars, except per share amounts)

19. Commitments and contingencies

As at March 31, 2024, the Company had one outstanding legal claim. Since it presently is not possible to determine the outcome of this matter, no provision for this claim has been made.

20. Financial risk management

The Company is exposed to credit risk, liquidity risk, foreign exchange risk, and interest rate risk from its financial assets and liabilities. Financial risk management strategies are designed to ensure the Company's risks and related exposures are consistent with its business objectives and risk tolerance. There have been no significant changes to the Company's key financial risks or risk management strategies since December 31, 2023.

Currency risk

The Company's exposure to foreign currency risk was as follows based on notional amounts (all amounts shown in CAD):

As at		March 31, 2024		December 31, 2023
Cash	$	1,454	$	287
Investment		3,722		3,642
Deferred consideration		(778)		(778)
Accounts payable and accrued liabilities		(1,205)		(1,218)
Long-term debt		(25,779)		(25,667)
	$	(22,586)	$	(23,734)

Sensitivity analysis

A 5% strengthening of the USD against the CAD at March 31, 2024, would have decreased equity and increased the comprehensive loss for the year by approximately $1,586 (three months ended March 31, 2023 - $1,835). A 5% weakening of the USD against the CAD at March 31, 2024 would have had the equal but opposite effect, on the basis that all other variables remain constant.

Interest rate risk

The Company's term loans are set at Bank of Montreal's Prime Rate plus 4.0% - 5.0%, and therefore are exposed to interest rate risk. The Company does not use derivatives to manage this risk. A 1.5% increase to the Prime Rate would result in an increase in interest payments of approximately $708 (March 31, 2023 - $1,932) over the remaining terms of the loans. The convertible debentures are at a fixed rate of interest and therefore are not exposed to interest rate risk.

Credit Risk

At March 31, 2024, no customers accounted for more than 10% of trade accounts receivable, net.

At December 31, 2023, no customers accounted for more than 10% of trade accounts receivable, net.

(In thousands of Canadian dollars, except per share amounts)

The aging of trade and other receivables at the reporting date was:

As at	March 31, 2024		December 31, 2023	
	Gross Amount	Amount, net	Gross Amount	Amount, net
Current	$ 3,959	$ 3,959	$ 5,956	$ 5,012
Past due 1-90 days	4,510	2,556	2,966	1,941
Past due over 90 days	1,172	31	992	281
	$ 9,641	$ 6,546	$ 9,914	$ 7,234

Specific provisions are made against trade receivables for any customer that is known to be impaired due to poor financial condition or for any other reason it is considered doubtful that the customer's balance outstanding will be settled in full. As a percentage of revenue, the Company's actual credit loss experience to date has not been material. The Company has recorded a cumulative impairment allowance of $3,095 with respect to trade and other receivables as at March 31, 2024 (as at December 31, 2023 - $2,680).

The following table presents the reconciliation of the loss allowance:

Balance, December 31, 2023	$ 2,680
Bad debt expense	508
Effect of movement in exchange rates	(93)
Balance, March 31, 2024	$ 3,095

21. Financial instruments

Financial instruments carried at amortized cost:

The fair value of cash, trade and other receivables, notes receivable and accounts payable and accrued liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments.

Convertible debentures were recorded at fair value on initial recognition. Factors impacting fair value, such as discount rate, have not changed materially as at March 31, 2024 therefore amortized cost of convertible debentures approximates fair value.

Long-term debt is subject to variable market rates of interest, therefore amortized cost approximates fair value.

The Company's title and closing services requires it to hold cash in escrow accounts that it does not own. Accordingly, cash held in escrow, including escrow receivables and escrow liabilities, are not recorded as assets or liabilities on the Company's consolidated statements of financial position. All cash held in escrow is deposited in non-interest-bearing bank accounts. Voxtur is the escrow agent and as such bears full risk of loss. As at March 31, 2024 the balance of escrow accounts was $1,123 (December 31, 2023 - $3,499).

Financial instruments carried at fair value:

Fair value hierarchy

Financial instruments recorded at fair value are classified using a fair value hierarchy that reflects the significance of inputs used in making the measurements.

(In thousands of Canadian dollars, except per share amounts)

Classification of inputs for purposes of valuation:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2 inputs are inputs other than quoted prices in level 1 that are observable for the assets or liability either directly (i.e., prices) or indirectly (i.e., derived from prices); and
- Level 3 inputs are inputs for assets or liabilities that are not based on observable market data (i.e., unobservable inputs).

Private equity investment:

In October 2018, the Company made an equity investment of $1,000,000 USD in a private New York based software company. The Company's investment currently represents approximately 8% of the total equity issued by the software company. On initial recognition, the financial asset was recorded at fair value. An election was made to classify the equity instrument as FVOCI. Under this classification, any changes in fair value are recorded in other comprehensive income with no subsequent reclassification to profit or loss. The Company made this election because the investment is not held with the intent of short-term trading.

The fair value of the equity investment as at March 31, 2024 was estimated using a market-based approach. Key unobservable inputs of the market value included progress towards operational milestones and growth of the client and market base. Due to the significant measurement uncertainty inherent in the valuation of this investment, the fair value could materially differ from that recognized in the Unaudited Condensed Interim Consolidated Statements of Financial Position.

The following table shows a reconciliation, in both USD and CAD for fair value measurements in Level 3 of the fair value hierarchy for the period ended March 31, 2024:

	USD	CAD
Balance at December 31, 2023	$ 2,748	$ 3,642
Foreign exchange and other movements	-	80
Balance at March 31, 2024	$ 2,748	$ 3,722

The Company held no investments classified as level 1 and 2 of the fair value hierarchy in the three months ended March 31, 2024 and for the year ended December 31, 2023.

22. Subsequent events

Share-related transactions

In April 2024, 6,325,453 common shares were issued as part of the consideration transferred to acquire Blue Water in fiscal 2022.

In April 2024, 10,000 restricted share units were converted to 10,000 common shares upon direction from the restricted share unit holder.

In May 2024, 2,188,120 deferred share units were issued as compensation to non-management directors.

Credit facility amendment

In April 2024, amendments to the Company's credit agreement (the "Amendment") were executed, which waives breaches of covenants that existed prior to the date of the Amendment and establishes revised covenants.