BYND – BEYOND SOLUTIONS LTD.

FINANCIAL STATEMENTS

FOR THE YEARS ENDED
DECEMBER 31, 2020 and 2019

(EXPRESSED IN CANADIAN DOLLARS)

DALE MATHESON CARR-HILTON LABONTE LLP
CHARTERED PROFESSIONAL ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of BYND - Beyond Solutions Ltd.

Opinion

We have audited the financial statements of BYND - Beyond Solutions Ltd. (the "Company"), which comprise the statements of financial position as at December 31, 2020 and 2019, and the statements of income (loss) and comprehensive income (loss), changes in shareholders' deficiency and cash flows for the years then ended, and notes to the financial statements, including a summary of significant accounting policies (collectively referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at December 31, 2020 and 2019, and its financial performance and its cash flows for the years then ended 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 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 financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material Uncertainty Related to Going Concern

We draw attention to Note 1 to the financial statements, which describes events or conditions that 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.

Other Information

Management is responsible for the other information. The other information comprises the information included in Management's Discussion and Analysis.

Our opinion on the 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 financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

We obtained Management's Discussion and Analysis prior to the date of this auditor's report. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

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

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the 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 financial statements. As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the 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 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 financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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.

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DALE MATHESON CARR-HILTON LABONTE LLP
CHARTERED PROFESSIONAL ACCOUNTANTS
Vancouver, BC

April 27, 2021

MOORE

An independent firm
associated with Moore
Global Network Limited

BYND - Beyond Solutions Ltd.
Statements of the Financial Position
(Expressed in Canadian Dollars)

As at	Notes		December 31, 2020		December 31, 2019
Assets					
Cash	12	$	563,015	$	300,897
Amounts receivable	4		238,557		64,908
Marketable securities	5		-		8,638
Prepaid expenses			2,349		22,913
Total Current Assets			803,921		397,356
Right-of-use assets	6		16,728		87,891
Property and equipment	7		90,236		20,447
Total Assets		$	910,885	$	505,694
Liabilities and Shareholder's Deficiency					
Trade payables and accrued liabilities	8	$	605,139	$	230,896
Convertible debt	10		-		80,659
Derivative liability	10		-		152,660
Promissory Note	10		155,548		-
Deferred revenue			107,865		69,680
Lease liabilities – current portion	11		18,195		61,154
Long term loan – current portion	12		11,721		-
Total Current Liabilities			898,468		595,049
Lease liabilities	11		-		17,280
Long term loan	12		186,684		-
Liabilities for employee benefits	13		82,867		77,543
Total Liabilities		$	1,168,019	$	689,872
Shareholder's Deficiency					
Share capital	14	$	289	$	289
Translation differences reserve			(1,303)		3,592
Capital reserve for re-measurement of defined benefit plan	13		3,221		(5,675)
Deficit			(259,341)		(182,384)
Total Shareholder's Deficiency		$	(257,134)	$	(184,178)
Total Liabilities and Shareholder's Deficiency		$	910,885	$	505,694

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

These financial statements were approved for issue by the Board of Directors on April 27, 2021 and signed on its behalf by:

"Maram Marcel"
Director

"Tal Avner"
Director

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

BYND - Beyond Solutions Ltd.
Statements of Income (Loss) and Comprehensive Income (Loss)
For the Years Ended on December 31, 2020 and 2019
(Expressed in Canadian Dollars)

	Notes		2020		2019
Revenue from sales and services	16	$	1,555,389	$	1,610,212
Cost of sales	3		(749,200)		(1,161,116)
Gross profit			806,189		449,096
Consulting and marketing			10,075		19,978
Depreciation	6, 7		47,072		44,698
General and administrative expenses			243,355		294,799
Professional fees			417,330		168,292
			(717,832)		(527,767)
Income (loss) before other income (loss)			88,357		(78,671)
Other income (loss)					
Loss from sales of marketable securities	5		(2,384)		(55,484)
Finance expenses, net			(12,174)		(20,578)
Accretion of convertible debt	10		(36,166)		(23,261)
Foreign exchange gain			10,989		-
Gain from conversion of debt to note	10		116,473		-
Change in derivative financial liability	10		14,898		(78,538)
			91,636		(177,861)
Income (loss) before tax			179,993		(256,532)
Tax expense	17		(18,864)		(34,926)
Income (loss) for the year			161,129		(291,458)
Other comprehensive income (loss)					
Items that may be reclassified to profit or loss					
Exchange differences on translation of foreign operations			(4,895)		2,825
Items that will not be reclassified to profit of loss					
Remeasurement of a defined benefit plan, net			8,896		(5,449)
Other comprehensive income (loss) for the year			4,001		(2,624)
Total comprehensive income (loss)			165,130		(294,082)
Income (loss) per share – basic and diluted			201.41		(364.32)
Weighted average number of common shares outstanding – basic and diluted			800		800

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

BYND - Beyond Solutions Ltd.
Statements of Shareholders' Deficiency
For the Years Ended on December 31, 2020 and 2019
(Expressed in Canadian Dollars)

	Share Capital					
	Number of shares	Amount	Translation differences reserve	Capital reserve for re-measurement of defined benefit plan	Retained earnings	Total
		$	$	$	$	$
Balance at January 1, 2019	800	289	767	(226)	135,454	136,284
Loss for the year	-	-	-	-	(291,458)	(291,458)
Other comprehensive income for the year	-	-	2,825	(5,449)	-	(2,624)
Dividend (Note 9)	-	-	-	-	(26,380)	(26,380)
Balance at December 31, 2019	800	289	3,592	(5,675)	(182,384)	(184,178)
Income for the year	-	-	-	-	161,129	161,129
Other comprehensive loss for the year	-	-	(4,895)	8,896	-	4,001
Dividend (Note 9)	-	-	-	-	(238,086)	(238,086)
Balance at December 31, 2020	800	289	(1,303)	3,221	(259,341)	(257,134)

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

BYND - Beyond Solutions Ltd.
Statements of Cash Flows
For the Years Ended on December 31, 2020 and 2019
(Expressed in Canadian Dollars)

As at		December 31, 2020		December 31, 2019
Operating activities:				
Income (loss) for the year	$	161,129	$	(291,458)
Non-working capital adjustments:				
Depreciation		47,072		44,698
Finance expense		12,174		27,298
Accretion on convertible debt		36,166		23,261
Change in fair value of derivative liability		(14,898)		78,538
Gain from conversion of debt to note		(116,473)		-
Loss from marketable securities		2,384		55,484
Remeasurement of defined benefit plan		8,896		(5,449)
Foreign exchange gain		(12,799)		(24,270)
Working capital adjustments:				
Change in amounts receivable		(173,649)		(2,487)
Change in trade payables and accrued liabilities		374,243		6,649
Change in prepaid expenses		20,564		(9,580)
Change in deferred revenue		38,185		9,191
Change in benefits to employees		5,324		15,846
Net cash provided by operating activities		388,318		(72,279)
Investing activities:				
Purchase of property and equipment		(38,120)		(5,287)
Proceeds from sale of marketable securities		6,254		17,692
Net cash provided by investing activities		(31,866)		12,405
Financing activities:				
Issuance of convertible debt		-		131,329
Proceeds from long term loan		195,305		-
Repayment of lease obligation		(65,337)		(38,265)
Dividend payments		(238,086)		-
Net cash provided by (used in) financing activities		(108,118)		93,064
Net Increase in cash		248,334		33,190
Effect of foreign exchange rate changes		13,784		9,503
Cash at beginning of year		300,897		258,204
Cash at end of year	$	563,015	$	300,897
Supplemental cash flow information:				
Cash tax paid	$	28,222	$	79,862
Cash interest paid		929		2,264

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

NOTE 1 – NATURE OF OPERATIONS AND GOING CONCERN

Operations

BYND - Beyond Solutions Ltd. (the "Company") is an Israeli company which was incorporated in Israel and commenced operations during 2000. The Company's registered address and principal place of business is at 7000 Akko Road, Kiryat Motzkin. The Company is a software house which develops enterprise software tools that enable manufacturing and service companies to optimize their workforce management, customer service, and asset management.

On December 16, 2019, the Company entered into a Business Combination Agreement ("BCA") with 1232986 B.C. Ltd. ("NumberCo"), Lincoln Acquisitions Corp. ("Lincoln") and the shareholders of the Company. Pursuant to the terms of the BCA: (i) Lincoln and NumberCo would amalgamate to form a new company to be named "BYND Cannasoft Enterprises Inc." ("BYND Cannasoft") (the "Amalgamation Transaction"), and (ii) BYND Cannasoft would acquire all of the issued and outstanding shares of the Company from its shareholders in exchange for a pro rated number of shares of BYND Cannasoft (the "Share Exchange Transaction" together with the Amalgamation Transaction, the "Business Combination Transactions"). The Business Combination Transactions were completed on March 29, 2021.

On October 1, 2020, the Company executed a share purchase agreement with the shareholders of B.Y.B.Y. Investments and Promotions Ltd. ("Cannasoft"), a corporation incorporated under the laws of the State of Israel. Pursuant to the agreement, the Company would acquire 74% ownership interest in Cannasoft from its shareholders, in exchange for 54.58% ownership interest in the Company ("Cannasoft Acquisition"). Cannasoft, through its owner owns the primary license for growing medical granted by the Israeli Ministry of Health and has begun the process of obtaining the necessary permits and approvals to construct a 3.7 acre cannabis farm in southern Israel, to grow and harvest medical cannabis. The Cannasoft Acquisition transaction was held in escrow and was completed on March 29, 2021.

These financial statements have been prepared on a going concern basis, which contemplates the realization of assets and the settlement of liabilities in the normal course of business. These financial statements do not reflect the adjustments to the carrying values of assets and liabilities, the reported revenues and expenses, and the statement of financial position classifications used, 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.

COVID-19

The outbreak of the coronavirus, also known as "COVID-19", has spread across the globe and is impacting worldwide economic activity. Conditions surrounding the coronavirus continue to rapidly evolve and government authorities have implemented emergency measures to mitigate the spread of the virus. The outbreak and the related mitigation measures may have an adverse impact on global economic conditions as well as on the Company's business activities.

The extent to which the coronavirus may impact the Company's business activities will depend on future developments, such as the ultimate geographic spread of the disease, the duration of the outbreak, travel restrictions, business disruptions, and the effectiveness of actions taken in Israel and other countries to contain and treat the disease. These events are highly uncertain and as such, the Company cannot determine their financial impact at this time. While certain restrictions are presently in the process of being relaxed,

NOTE 1 – NATURE OF OPERATIONS AND GOING CONCERN

COVID-19 (continued)

it is unclear when the world will return to the previous normal, if ever. This may adversely impact the expected implementation of the Company's business plans. The Company has been impacted as it had to temporarily send its employees on leave of absence.

NOTE 2 – BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS

a. Basis of presentation

These financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and interpretations of the International Financial Reporting Interpretations Committee ("IFRIC"). Certain comparative figures on the statements of income (loss) and comprehensive income (loss) were reclassified in order to conform with current year presentation.

These financial statements were authorized for issue by the Board of Directors on April 27, 2021.

b. Functional and presentation currency

The financial statements are presented in Canadian dollars. The functional currency of the Company is the New Israeli Shekel ("NIS"). NIS represents the main economic environment in which the Company operates.

c. Basis of Measurement

The financial statements were prepared based on the historical cost basis other than the following assets and liabilities: financial instruments measured at fair value through profit and loss, deferred taxes assets and liabilities for employee benefits.

d. Significant estimates and assumptions

The preparation of financial statements in accordance with IFRS requires the Company to use judgment in applying its accounting policies and make estimates and assumptions about reported amounts at the date of the financial statements and in the future. The Company's management reviews these estimates and underlying assumptions on an ongoing basis, based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Revisions to estimates are adjusted for prospectively in the period in which the estimates are revised.

NOTE 2 – BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS (continued)

d. Significant estimates and assumptions (continued)

Income taxes
Provisions for income taxes are made using the best estimate of the amount expected to be paid based on a qualitative assessment of all relevant factors. The Company reviews the adequacy of these income tax provisions at the end of each reporting period. However, it is possible that at some future date an additional liability could result from audits by tax authorities. Where the final outcome of these tax-related matters is different from the amounts that were initially recorded, such differences will affect the tax provisions in the period in which such determination is made. Deferred tax assets are recognized when it is determined that the company is likely to recognize their recovery from the generation of taxable income.

Useful lives of property and equipment
Estimates of the useful lives of property and equipment are based on the period over which the assets are expected to be available for use. The estimated useful lives are reviewed annually and are updated if expectations differ from previous estimates due to physical wear and tear, technical or commercial obsolescence, and legal or other limits on the use of the relevant assets. In addition, the estimation of the useful lives of the relevant assets may be based on internal technical evaluation and experience with similar assets. It is possible, however, that future results of operations could be materially affected by changes in the estimates brought about by changes in the factors mentioned above. The amounts and timing of recorded expenses for any period would be affected by changes in these factors and circumstances. A reduction in the estimated useful lives of the equipment would increase the recorded expenses and decrease the non-current assets.

Convertible debentures
The identification of convertible note components is based on interpretations of the substance of the contractual arrangement and therefore requires judgement from management. The separation of the components affects the initial recognition of the convertible debenture at issuance and the subsequent recognition of interest on the liability component. The determination of the fair value of the liability is also based on a number of assumptions, including contractual future cash flows, discount rates and the presence of any derivative financial instruments.

Other Significant judgments

The preparation of financial statements in accordance with IFRS requires the Company to make judgments, apart from those involving estimates, in applying accounting policies. The most significant judgments in applying the Company's financial statements include:

- the assessment of the Company's ability to continue as a going concern and whether there are events or conditions that may give rise to significant uncertainty;
- the classification of financial instruments;
- the assessment of revenue recognition using the five-step approach under IFRS 15 and the collectability of amounts receivable; and
- the determination of the functional currency of the company.

NOTE 3 – SIGNIFICANT ACCOUNTING POLICIES

a. Foreign Currency Transactions

Transactions and balances:
Foreign currency transactions are translated into functional currency using the exchange rates prevailing at the date of the transaction. Foreign currency monetary items are translated at the period-end exchange rate. Nonmonetary items measured at historical cost continue to be carried at the exchange rate at the date of the transaction. Non-monetary items measured at fair value are reported at the exchange rate at the date when fair values were determined.

Exchange differences arising on the translation of monetary items or on settlement of monetary items are recognized in profit or loss in the period in which they arise, except where deferred in equity as a qualifying cash flow or net investment hedge.

Exchange differences arising on the translation of non-monetary items are recognized in other comprehensive income in to the extent that gains and losses arising on those non-monetary items are also recognized in other comprehensive income. Where the non-monetary gain or loss is recognized in profit or loss, the exchange component is also recognized in profit or loss.

Foreign operations:
The financial results and position of foreign operations, as the Company's functional currency is different from the Company's presentation currency, are translated as follows:

- assets and liabilities are translated at period-end exchange rates prevailing at that reporting date; and
- income and expenses are translated at average exchange rates for the period.

Exchange differences arising on translation of foreign operations are recognized in other comprehensive income and recorded in the Company's foreign currency translation reserve in equity. These differences are recognized in the profit or loss in the period in which the operation is disposed.

b. Financial Instruments

The following is the Company's accounting policy for financial instruments under IFRS 9:

(i) Classification

The Company classifies its financial instruments in the following categories: at fair value through profit and loss ("FVTPL"), at fair value through other comprehensive income (loss) ("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 the financial assets and their contractual cash flow characteristics. Equity instruments that are held for trading are classified as FVTPL. For other equity instruments, on the day of acquisition the Company can make an irrevocable election (on an instrument-by-instrument basis) to designate them as at FVTOCI. Financial liabilities are measured at amortized cost, unless they are required to be measured at FVTPL (such as instruments held for trading or derivatives) or if the Company has opted to measure them at FVTPL.

NOTE 3 – SIGNIFICANT ACCOUNTING POLICIES (continued)

b. Financial Instruments (continued)

(i) Classification (continued)

The following table shows the classification under IFRS 9:

Financial assets / liabilities	Classification under IFRS 9
Cash	Amortized cost
Amounts receivable	Amortized cost
Marketable securities	FVTPL
Trade payables and accrued liabilities	Amortized cost
Convertible debt	Amortized cost
Derivative liability	FVTPL

(ii) Measurement

Financial assets and liabilities at amortized cost
Financial assets and liabilities at amortized cost are initially recognized at fair value plus or minus transaction costs, respectively, and subsequently carried at amortized cost less any impairment.

Financial assets and liabilities at FVTPL

Financial assets and liabilities carried at FVTPL are initially recorded at fair value and transaction costs are expensed in the statements of loss and comprehensive loss. Realized and unrealized gains and losses arising from changes in the fair value of the financial assets and liabilities held at FVTPL are included in the statements of loss and comprehensive loss in the period in which they arise.

Debt investments at FVTOCI
These assets are subsequently measured at fair value. Interest income calculated using the effective interest method, foreign exchange gains and losses and impairment are recognised in profit or loss. Other net gains and losses are recognized in OCI. On derecognition, gains and losses accumulated in OCI are reclassified to profit or loss.

Equity investments at FVTOCI
These assets are subsequently measured at fair value. Dividends are recognised as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognised in OCI and are never reclassified to profit or loss.

NOTE 3 – SIGNIFICANT ACCOUNTING POLICIES (continued)

b. Financial Instruments (continued)

(iii) Impairment of financial assets at amortized cost

The Company recognizes a loss allowance for expected credit losses on financial assets that are measured at amortized cost. At each reporting date, the Company measures the loss allowance for the financial asset at an amount equal to the lifetime expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition. If at the reporting date, the financial asset has not increased significantly since initial recognition, the Company measures the loss allowance for the financial asset at an amount equal to the twelve month expected credit losses. The Company shall recognize in the statements of loss and comprehensive loss, as an impairment gain or loss, the amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognized.

(iv) Derecognition

Financial assets
The Company derecognizes financial assets only when the contractual rights to cash flows from the financial assets expire, or when it transfers the financial assets and substantially all of the associated risks and rewards of ownership to another entity.

Financial liabilities
The Company derecognizes a financial liability when its contractual obligations are discharged or cancelled, or expire. The Company also derecognizes a financial liability when the terms of the liability are modified such that the terms and / or cash flows of the modified instrument are substantially different, in which case a new financial liability based on the modified terms are recognized at fair value.

Gains and losses on derecognition are generally recognized in profit or loss.

c. Property and equipment

Property and equipment are stated at cost less accumulated depreciation. The cost of repairs and maintenance costs is expensed as incurred.

Depreciation is calculated using the straight-line method to depreciate their cost to their residual value over their estimated useful lives. Upon sale or other disposition of a depreciable asset, cost and accumulated depreciation are removed from property and equipment and any gain or loss is reflected as a gain or loss from operations. The estimated useful lives are:

Description	Years
Computers and equipment	3
Vehicles	6
Furniture and equipment	6

The assets' residual values, useful lives and depreciation method are reviewed and adjusted if needed at least once a year.

NOTE 3 – SIGNIFICANT ACCOUNTING POLICIES (continued)

d. Employee benefits

Short term benefits
Short term benefits to employees include salaries, medical and recreation benefits and contributions to the National Insurance Institute and are recognized as expenses upon the rendering of the services.

Post-employment benefits
The group's post-employment benefits include severance pay obligation. The plans are usually funded by deposits transferred into pension funds and managers' insurance plans and are classified as defined benefit plans.

According to the Severance Pay Law employees are entitled to receive severance pay when they are dismissed or when they retire. The liability for termination of employer-employee relations presented in the report of the financial position is the present value of the defined benefit obligation at the report of the financial position date, less the fair value of plan assets on the end of the reporting period out of

which the obligation shall be directly paid, adjusted to any net limitation of the asset for defined benefit to asset ceiling. The defined benefit liability is calculated by actuarial methods using the projected unit credit method.

The current service cost and net interest on the net liability in respect of defined benefits are recognized in profit or loss. Re-measurements of the net liability in respect of defined benefits which are recognized in other comprehensive profit, include actuarial profits and losses and return on the assets of the plan (excluding amounts which were included in net interest). Re-measurements of the net liability in respect of defined benefits which were recognized in other comprehensive profit are not re-classified to profit or loss in a subsequent period.

e. Revenue

Revenue is recognized at an amount that reflects the consideration to which the entity expects to be entitled in exchange for transferring goods or services to a customer. The principles in IFRS 15 were applied using the following five steps:

1. Identify the contract(s) with a customer
2. Identify the performance obligation in the contract
3. Determine the transaction price
4. Allocate the transaction price to the performance obligation in the contract
5. Recognize revenue when (or as) the entity satisfies performance obligation

Revenue represents the amount the Company expects to receive for products and services in its contracts with customers, net of discounts and sales taxes. Revenue is comprised of developing enterprise software tools that enable manufacturing and providing services to companies to optimize their workforce management, customer service, and asset management.

NOTE 3 – SIGNIFICANT ACCOUNTING POLICIES (continued)

e. Revenue (continued)

The Company recognizes revenue when control over the products or services which were promised is transferred to the customer. Revenue is measured according to the consideration that the Company expects to be entitled for the transfer of the products or services to the customer, other than amounts collected for third parties.

Revenues are recognized when the Company satisfies its performance obligations by passing control in the products or services promised to the customer.

Measuring progress towards satisfaction of performance obligation

The Company recognizes revenues over time by measuring the progress towards complete satisfaction of the performance obligation in a manner reflecting the Company's performance in passing control in the products and services promised to the customer.

f. Cost of sales and services

Cost of sales includes the expenses incurred to develop software and technical support to customers including payroll for all employees and compensation to subcontractors that are directly involved in the development and providing technical support.

g. Leases

The Company treats a contract as a lease when according to its terms it conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

At inception of a contract, the Company assesses whether a contract is or contains a lease. A contract is, or contains a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. The Company determines whether the contract involves the use of an identified asset, whether the right to obtain substantially all of the economic benefits from use of the asset during the term of the arrangement exists, and if the Company has the right to direct the use of the asset. At inception or on reassessment of a contract that contains a lease component, the Company allocates the consideration in the contract to each lease component on the basis of their relative standalone prices.

As is permitted under IFRS 16, the Company may elect to expense its short-term leases (term of 12 months or less) and leases of low-value assets, on a straight-line basis over the lease term. The Company has not applied such exemption during the year ended December 31, 2020.

As lessee, the Company recognizes a right-of-use asset and a lease liability at the commencement date of a lease. The right-of-use asset is initially measured at cost, which is comprised of the initial amount of the lease liability adjusted for any lease payments before the commencement date, plus any decommissioning and restoration costs, less any lease incentives received.

NOTE 3 – SIGNIFICANT ACCOUNTING POLICIES (continued)

g. Leases (continued)

The right-of-use asset is subsequently depreciated from the commencement date to the earlier of the end of the lease term, or the end of the useful life of the asset. In addition, the right-of-use asset may be reduced due to impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

A lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by the interest rate implicit in the lease or if that rate cannot be readily determined, the incremental borrowing rate.

Lease payments included in the measurement of the lease liability are comprised of:

- Fixed payments, including in-substance fixed payments, less any lease incentives receivable;
- Variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable under a residual value guarantee;
- exercise prices of purchase options if the Company is reasonably certain to exercise the option; and
- payments of penalties for terminating the lease, if the lease term reflects the lessee exercising an option to terminate the lease.

The lease liability is measured at amortized cost using the effective interest method. It is measured when there is a change in future lease payments arising from a change in an index or rate, or if there is a change in the estimate or assessment of the expected amount payable under a residual value guarantee, purchase, extension or termination option. Variable lease payments not included in the initial measurement of the lease liability are charged directly to profit or loss.

h. Deferred taxes

<u>Current income tax:</u>
Current income tax assets and liabilities for the current period are measured at the amount expected to be recovered from or paid to taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date, in the countries where the Company operates and generates taxable income.

Current income tax relating to items recognized directly in other comprehensive income or equity is recognized in other comprehensive income or equity and not in profit or loss. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

<u>Deferred tax:</u>
Deferred tax is recognized on temporary differences at the reporting date arising between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes. The carrying amount of deferred tax assets is reviewed at the end of each reporting period and recognized only to the extent that it is probable that future taxable income will be available to allow all or part of the temporary differences to be utilized.

NOTE 3 – SIGNIFICANT ACCOUNTING POLICIES (continued)

h. Deferred taxes (continued)

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted and are expected to apply by the end of the reporting period. Deferred tax assets and deferred income tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current income tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

h. Basic and diluted income (loss) per share

The Company presents basic income (loss) per share data for its common shares, calculated by dividing the income (loss) attributable to common shareholders of the Company by the weighted average number of common shares outstanding during the period. The diluted income (loss) per share is determined by adjusting the income (loss) attributable to common shareholders and the weighted average number of common shares outstanding for the effects of all options, warrants and similar instruments outstanding that may add to the total number of common shares.

NOTE 4 – AMOUNTS RECEIVABLE

		December 31, 2020		December 31, 2019
Trade receivables	$	136,430	$	-
Income tax advances		102,127		64,908
	$	238,557	$	64,908

Information on the Company's exposure to credit risk and market risk, as well as impairment losses on trade receivables and other amounts receivable, is provided in Note 15.

NOTE 5 – MARKETABLE SECURITIES

The Company's marketable securities comprised of investment in common shares of My Syze Inc., a listed company on NASDAQ under the symbol of MYSZ ("MYSZ"). The Company designated its investment in MYSZ as fair value through profit or loss ("FVTPL").

During the year ended December 31, 2019, the Company sold 30,000 MYSZ shares for proceeds of $17,692 and recorded $55,484 loss on sale of marketable securities. On November 19, 2019, MYSZ completed a 1:15 reverse split which converted the Company's remaining 30,000 shares to 2,000 shares. The cost and fair value of the shares at December 31, 2019 were $16,199 and $8,638, respectively.

During the year ended December 31, 2020, the Company sold the 2,000 shares for proceeds of $6,254 and recognized a loss of $2,384 on sale of marketable securities.

NOTE 6 – RIGHT OF USE ASSETS

The Company's right-of-use asset relates to the lease of office space and vehicles. The Company recognized lease liabilities which were measured at the present value of the remaining lease payments and discounted using the lessee's incremental borrowing rate of 1.51%.

		Offices		Vehicles		Total
Cost						
Balance, January 1, 2019	$	61,280	$	74,256	$	135,536
Translation differences		2,268		2,748		5,016
Balance, December 31, 2019		63,548		77,004		140,552
Transfer to property and equipment		-		(81,080)		(81,080)
Translation differences		3,364		4,076		7,440
Balance, December 31, 2020	$	66,912	$	-	$	66,912
Accumulated depreciation						
Balance, January 1, 2019	$	9,192	$	12,067	$	21,259
Depreciation		18,828		11,408		30,236
Translation differences		578		588		1,166
Balance, December 31, 2019		28,598		24,063		52,661
Transfer to property and equipment		-		(37,499)		(37,499)
Depreciation		19,720		11,947		31,667
Translation differences		1,866		1,489		3,355
Balance, December 31, 2020	$	50,184	$	-	$	50,184
Net book value						
At December 31, 2019	**$**	**34,950**	**$**	**52,941**	**$**	**87,891**
At December 31, 2020	**$**	**16,728**	**$**	**-**	**$**	**16,728**

During the year ended December 31, 2020, the Company has bought out its vehicles previously under leases for $33,520.

NOTE 7 – PROPERTY AND EQUIPMENT

	Computers & Equipment	Vehicles	Furniture & Equipment	Total
Cost				
Balance, January 1, 2019	$ 18,013	$ 66,830	$ 29,667	$ 114,510
Additions	5,287	-	-	5,287
Translation differences	689	2,260	1,003	3,952
Balance, December 31, 2019	23,989	69,090	30,670	123,749
Additions	2,919	33,306	1,895	38,120
Transfer from ROU assets	-	81,080	-	81,080
Translation differences	1,400	3,071	1,757	6,228
Balance, December 31, 2020	$ 28,308	$ 186,547	$ 34,322	$ 249,177
Accumulated depreciation				
Balance as of January 1, 2019	$ 13,873	$ 48,751	$ 21,454	$ 84,078
Depreciation	2,904	10,208	1,350	14,462
Translation differences	513	2,503	1,746	4,762
Balance, December 31, 2019	17,290	61,462	24,550	103,302
Depreciation	3,620	10,306	1,479	15,405
Transfer from ROU assets	-	37,499	-	37,499
Translation differences	1,037	1,349	349	2,735
Balance, December 31, 2020	$ 21,947	$ 110,616	$ 26,378	$ 158,941
Net book value				
At December 31, 2019	**$ 6,699**	**$ 7,628**	**$ 6,120**	**$ 20,447**
At December 31, 2020	**$ 6,361**	**$ 75,931**	**$ 7,944**	**$ 90,236**

NOTE 8 – TRADE PAYABLES AND ACCRUED LIABILITIES

	December 31, 2020	December 31, 2019
Trade payables	$ 346,457	$ 116,856
VAT, income and dividend taxes payable	89,527	33,752
Convertible debt interest payable (Note 10)	-	9,434
Due to NumberCo	94,392	-
Due to shareholders	624	1,169
Salaries payable	74,139	69,685
	$ 605,139	$ 230,896

NOTE 9 – RELATED PARTY TRANSACTIONS

Key management personnel include those persons having authority and responsibility for planning, directing and controlling the activities of the Company as a whole. The Company has determined that key management personnel consist of members of the Company's Board of Directors and corporate officers. The remuneration of directors and key management personnel, not including normal employee compensation, made during the years ended December 31, 2020 and 2019 is set out below:

		December 31, 2020		December 31, 2019
Salary (cost of sales)	$	252,686	$	292,706
	$	252,686	$	292,706

As at December 31, 2020, $624 (December 31, 2019 - $1,169) was owed to directors of the Company. Amounts owing were recorded in accounts payable are non-interest bearing and unsecured.

During the year ended December 31, 2019, the Company paid $26,380 in dividend payable, of which $7,914 is accounted for in accounts payable as dividend withholding tax payable and the remaining $18,466 was applied against the balance due from shareholder.

During the year ended December 31, 2020, the Company paid $238,086 in dividends.

NOTE 10 – CONVERTIBLE DEBT AND PROMISSORY NOTE

Convertible debt and promissory note

On April 22, 2019, the Company issued a convertible debenture of USD $100,000 at a rate of 10% per annum. The loan was originally due within 9 months, the Company extended the loan to December 31, 2020. Until the due date of the loan and only if the Company's shares are registered for trade on the Toronto stock exchange, the lender shall have the right to convert the loan into a number of shares reflecting a 50% discount relative to the average share price during the 10 trading days preceding the conversion date, or a price per share reflecting a company valuation of USD $4,000,000.

On October 1, 2020, the Company entered into a debt assignment agreement with NumberCo, wherein NumberCo agreed to assume the Company's obligations under the convertible debt in exchange for a promissory note. As a result, the Company recorded a gain of $116,473 related to the debt assignment.

As the consideration for the debt assignment, the Company issued a demand promissory note to NumberCo with the principal amount of $155,548 equal to the principal amount of the convertible debenture together with all unpaid interest owing to the creditor. The demand promissory note is unsecured and bears no interest.

NOTE 10 – CONVERTIBLE DEBT AND PROMISSORY NOTE (Continued)

A continuity of the convertible debentures for the years ended December 31, 2020 and 2019 is as follows:

		December 31, 2020		December 31, 2019
Balance, opening	$	80,659	$	-
Proceeds from issuance of convertible debt		-		131,329
Derivative liability		-		(70,289)
Accretion expense		36,166		23,261
Interest expense		10,276		-
Derecognition upon debt assignment		(129,245)		-
Foreign exchange		2,144		(3,642)
Balance, ending	$	-	$	80,659

Derivative liability

The convertible notes contain an embedded derivative representing the conversion feature, as due to triggering events in the debt that lead to a change in the conversion price, the conversion option does into meet the fixed-for-fixed test.

A continuity of derivative liability for the years ended December 31, 2020 and 2019 is as follows:

		December 31, 2020		December 31, 2019
Balance, opening	$	152,660	$	-
Derivative liability on convertible debenture		-		70,289
Change in fair value		(14,898)		78,538
Derecognition upon debt assignment		(142,776)		-
Translation difference		5,014		3,833
Balance, ending	$	-	$	152,660

The fair values of the derivative liability were estimated using the Black-Scholes Option Pricing Model using the following assumptions.

- The stock price was based upon the most recent share issuance price for shares issued;
- The risk-free interest rate assumption is based on the Bank of Canada interest rates for a period consistent with the expected term of the option in effect at the time of the grant;
- The Company paid nominal dividends during the year, however does not anticipate to pay dividends on its common stock in the foreseeable future. Therefore, the expected dividend rate was 0%;
- The expected life of the derivative liability was estimated to be 1 year which is based on the estimated date that the Company anticipates for the Business Combination Transactions at issuance date (Note 1); and
- The expected volatility was based off the average volatility of comparable companies over a period equivalent to the expected life of the derivative liability.

NOTE 10 – CONVERTIBLE DEBT AND PROMISSORY NOTE (Continued)

Derivative liability (continued)

The fair values of the derivative liability as at the date of debt assignment on October 1, 2020 and December 31, 2019 was estimated using the Black-Scholes Option Pricing Model using the following inputs:

	October 1, 2020	December 31, 2019
Expected volatility	77%	77%
Expected life (years)	0.25	1 year
Dividends	0%	0%
Risk-free interest rate	1.71%	1.88%

NOTE 11 – LEASE LIABILITIES

The Company has leases including leases of offices for 1-2 years and vehicles for 3 years. Some of the leases entered into by the Company include extension and/or cancelation options and adjustments due to linkage to the index on different dates.

		December 31, 2020		December 31, 2019
Balance, opening	$	78,434	$	110,324
Additions		-		-
Lease payments		(65,337)		(38,265)
Interest		929		2,264
Translation difference		4,169		4,111
Balance, ending	$	18,195	$	78,434
Which consists of:				
Current lease liability	$	18,195	$	61,154
Non-current lease liability		-		17,280
Balance, ending	$	18,195	$	78,434

Minimum future lease payments under the leases as at December 31, 2020 for each of the next year and in the aggregate are:

		Amount
December 31, 2021	$	18,195

NOTE 12 – LONG TERM LOAN

During the year ended December 31, 2020, the Company secured a term loan with a principal amount of $195,305 (NIS 500,000) from an Israeli bank. The loan bears interest at the rate of 3.14% per annum and matures on September 18, 2025. The loan is subject to 48 monthly payments of $4,321 (NIS 11,063) commencing October 18, 2021. $9,765 (NIS 25,000) was deposited in the bank as security for the loan.

The activities of the long tern loan during the year ended December 31, 2020 are as follows:

		December 31, 2020
Balance, opening	$	-
Addition		195,305
Interest expense, accrued		969
Translation difference		2,131
Balance, ending		198,405
Less:		
Long term loan – current portion		11,721
Long term loan	$	186,684

The undiscounted repayments for each of the next five years and in the aggregate are:

Year ended		Amount
December 31, 2021	$	12,963
December 31, 2022		51,854
December 31, 2023		51,854
December 31, 2024		51,854
December 31, 2025		38,890
	$	207,415

NOTE 13 – EMPLOYEE BENEFITS

The severance pay liability constitutes a defined benefit plan and was calculated using actuarial assumptions. In measuring the present value of the defined benefit obligation and the current service costs the projected unit credit method was used.

a. Plan assets (liability)

Information on the Company's defined benefit pension plans and other defined benefit plans, in aggregate, is summarized as follows:

		December 31, 2020		December 31, 2019
Defined benefit plan liabilities	$	(82,867)	$	(77,543)
Less: fair value of plan assets or asset ceiling		-		-
	$	(82,867)	$	(77,543)

NOTE 13 – EMPLOYEE BENEFITS (continued)

b. Changes in the present value of the defined benefit plan liability

The following are the continuities of the fair value of plan assets and the present value of the defined benefit plan obligations:

		December 31, 2020		December 31, 2019
Balance, opening	$	(77,543)	$	(61,697)
Recognized in profit this year:				
Interest costs		(1,311)		(1,159)
Current service cost		(8,782)		(6,787)
Recognized in other comprehensive profit:				
Actuary loss for change of assumptions		8,896		(5,449)
Translation differences		(4,127)		(2,451)
Balance, ending	$	(82,867)	$	(77,543)

The actual amount paid may vary from the estimate based on actuarial valuations being completed, investment performance, volatility in discount rates, regulatory requirements and other factors.

c. Major assumptions in determining the defined benefit plan liability

The principal actuarial assumptions used in calculating the Company's defined benefit plan obligations and net defined benefit plan cost for the year were as follows (expressed as weighted averages):

	December 31, 2020	December 31, 2019
Capitalization rate	1.55%	1.5%
Salary growth rate	0%	0%
Retirement rate	5%	5%

d. Sensitivity analysis

The following table outlines the key assumptions for 2020 and 2019 and the sensitivity of a 1% change in each of these assumptions on the defined benefit plan obligations and the net defined benefit plan cost.

The sensitivity analysis provided in the table is hypothetical and should be used with caution. The sensitivities of each key assumption have been calculated independently of any changes in other key assumptions. Actual experience may result in changes in a number of key assumptions simultaneously. Changes in one factor may result in changes in another, which could amplify or reduce the impact of such assumptions.

NOTE 13 – EMPLOYEE BENEFITS (continued)

d. Sensitivity analysis (continued)

		December 31, 2020		December 31, 2019
Capitalization rate:				
Impact of: 1% increase	$	(4,786)	$	(4,862)
1% decrease		5,767		5,947
Salary growth rate:				
Impact of: 1% increase		5,776		5,960
1% decrease	$	-	$	-

NOTE 14 – EQUITY

Authorized share capital

40,000 of common shares with par value of NIS 1.

Issued share capital

As at December 31, 2020 and 2019, there were 800 common shares issued and outstanding.

No shares were issued during the years ended December 31, 2020 and 2019.

NOTE 15 – FINANCIAL INSTRUMENTS

a. Fair value

Financial instruments measured at fair value are classified into one of three levels in the fair value hierarchy according to the relative reliability of the inputs used to estimate the fair values. The three levels of the fair value hierarchy are:

- Level 1 – Unadjusted quoted prices in active markets for identical assets or liabilities;
- Level 2 – Inputs other than quoted prices that are observable for the asset or liability either directly or indirectly; and
- Level 3 – Inputs that are not based on observable market data.

Management estimates that the cash balance, short term deposits, customers, suppliers and other current liabilities approximately constitute their fair value in view of the fact that these are short term instruments.

The investment in MYSZ shares was included in the category of financial assets at fair value through profit and loss. The fair value of this investment is measured according to the price of the shares on NASDAQ, and is classified as a level 1 asset on the fair value hierarchy. The investment was disposed during the year ended December 31, 2020 (note 5).

Financial liability measured at fair value consisted of the derivative liability, which was measured using level 3 inputs.

NOTE 15 – FINANCIAL INSTRUMENTS (continued)

a. Fair value (continued)

The fair value of the derivative liability was determined by the Black-Scholes option pricing model using the historical volatility as an estimate of future volatility. At December 31, 2019, if the volatility used was increased by 10% the impact would be an increase to the derivative liability of $5,000, with a corresponding increase to comprehensive loss. The derivative liability was derecognized during the year ended December 31, 2020 (note 10)

b. Management's goals and policies regarding financial risk management

The Company is exposed to various financial risks through its financial instruments: credit risk, liquidity risk and market risk (including currency risk, interest rate risk and other price risk). The following analysis enables users to evaluate the nature and extent of the risks.

Credit risk

The Company's credit risk was primarily attributable to cash and amounts receivable which include trade and other amounts receivable (note 4). The Company limits its credit exposure on cash held in bank accounts firstly by holding its key transactional bank accounts with banks of international financial institutions. The other exposure to risk for the Company is on its trade and other amounts receivable. The carrying amount of trade and other amounts receivable represents the maximum credit exposure. The expected credit losses on the individual trade and other amount receivables as at December 31, 2020 and 2019 are both $nil.

For the year ended December 31, 2020, there was $nil impairment loss on amount receivables recognized in the statement of income (loss) and comprehensive income (loss).

Liquidity risk

The Company estimates that the concentration of its liquidity risk is low due to the possibility of high cash balances and low debt balances.

The following table presents due payment dates of the Company's financial liabilities according to the contractual conditions in non-capitalized amounts (including interest payments) as at December 31, 2020:

	Up to 1 year	1 to 2 years	2 to 3 years	3 to 4 years	5 year and over	Total
Trade payables (note 8)	$ 346,457	$ -	$ -	$ -	$ -	$ 346,457
Promissory note (note 10)	155,548	-	-	-	-	155,548
Long term loan (note 12)	11,721	47,017	48,437	49,900	41,330	198,405
	$ 513,726	$ 47,017	$ 48,437	$ 49,900	$ 41,330	$ 700,410

NOTE 15 – FINANCIAL INSTRUMENTS (Continued)

Market risk

Market risk is the risk that the fair value or future cash flows from financial instruments will change as a result of changes in market prices. Market risk includes risks such as currency risk and share price risk. The financial instruments of the Company which are affected by market risk consist mainly of foreign currency cash and deposits, Company's USD convertible debenture and investments in securities.

Foreign currency risk

As of December 31, 2020, the Company has a surplus of financial assets over financial liabilities denominated in USD, consisting of promissory note and accounts payable and accrued liabilities less cash, in the sum of $208,942 (2019 – deficiency of $61,498 for convertible debt over cash).

Currency sensitivity analysis

The table below demonstrates the sensitivity test to a reasonable possible change in the exchange rate of the US Dollar, with all other variables unchanged. The impact on the Company's pre-tax profit arises from changes in the fair value of the assets and financial liabilities.

	Change in the USD exchange rate	Impact on pre-tax profit
December 31, 2020	5% increase	$ (17,990)
	5% decrease	17,990
December 31, 2019	5% increase	(3,075)
	5% decrease	$ 3,075

Equity (share price) risk

Company's investments in tradable shares are sensitive to market price risk arising from uncertainties concerning the future value of these investments.

As of the date of the reporting, Company's exposure as a result of investments in tradable shares is $nil (2019 – $8,638). A 10% decrease in share price may reduce the Company's pre-tax profit by approximately $nil (2019 - $800). A 10% subsequent increase in the value of the tradable shares shall increase Company’s pre-tax profit by a similar amount.

NOTE 16 – REVENUES

		December 31, 2020		December 31, 2019
Services rendered	$	1,315,556	$	1,526,786
Product Sales		239,833		83,426
	$	1,555,389	$	1,610,212

The Company derives significant revenues from one customer. During the year ended December 31, 2020, revenues from this customer were 79% (2019 - 76%) of total revenues.

NOTE 17 – INCOME TAXES

The relevant companies' tax applicable to the Company commencing from 2018 and thereafter is 23%. Current taxes for the reported periods are calculated according to said tax rate.

A reconciliation of income taxes at statutory rates with the reported taxes is as follows:

		December 31, 2020		December 31, 2019
Income (loss) before tax	$	179,993	$	(256,532)
Income tax rate		23%		23%
Expected income tax (recovery)		41,398		(59,002)
Permanent differences		19,761		22,040
Other		(3,649)		(6,074)
Prior years reassessment of tax expense		-		31,264
Change in unrecognized deferred assets		(38,646)		46,698
Total income tax expense	$	18,864	$	34,926
Current income tax	$	18,864	$	34,926
Deferred income tax		-		-
Total income tax expense	$	18,864	$	34,926

The Company has $nil (2019 - $249,000) in non-capital losses carried forward for tax purposes, which can be carried forward indefinitely to be offset against future business income and business capital gains.

During the year ended December 31, 2019, the Company underwent a tax audit by the Israeli tax authorities and was assessed $31,264 for the years ended 2014 - 2017 in additional tax expense.

Tax attributes are subject to review, and potential adjustment, by tax authorities.