Consolidated Financial Statements
(In Canadian dollars)

EQ INC.

Years ended December 31, 2019 and 2018

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of EQ Inc.

Opinion

We have audited the consolidated financial statements of EQ Inc. and its subsidiaries, (the "Company"), which comprise the consolidated statement of financial position as at December 31, 2019 and December 31, 2018 and the consolidated statements of loss and comprehensive loss, changes in shareholders' equity and cash flows for the years ended December 31, 2019 and December 31, 2018, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Company as at December 31, 2019 and December 31, 2018, and its consolidated financial performance and its consolidated cash flows for the years ended December 31, 2019 and December 31, 2018 in accordance with International Financial Reporting Standards.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

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

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

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

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

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

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

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

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

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

RSM Canada LLP

Chartered Professional Accountants
Licensed Public Accountants
April 27, 2020
Toronto, Ontario

EQ INC.

Consolidated Statements of Financial Position
(In thousands of Canadian dollars)
December 31, 2019 and 2018

		2019		2018
Assets				
Current assets:				
Cash	**$**	**3,691**	$	584
Accounts receivable (note 18(a))		**2,060**		2,167
Other current assets (note 9(a))		**197**		293
		5,948		3,044
Non-current assets:				
Property and equipment (note 10)		**102**		125
Right-of-use asset (note 5)		**146**		-
Intangible asset (note 2(k), 3 & 11)		**537**		206
Goodwill (note 3 & 4)		**535**		535
	$	**7,268**	$	3,910
Liabilities and Shareholders' Equity (Deficiency)				
Current liabilities:				
Accounts payable and accrued liabilities (note 9(b))		**1,705**		1,851
Lease liability (note 5)		**70**		-
Loans and borrowings (note 12)		**-**		1,577
Contract liabilities (note 9(c))		**24**		348
Earn-out (note 3)		**256**		291
		2,055		4,067
Non-current liabilities:				
Lease liability (note 5)		**88**		-
Loans and borrowings (note 12)		**1,603**		-
Earn-out (note 3)		**-**		214
		3,746		4,281
Shareholders' equity (deficiency)		**3,522**		(371)
	$	**7,268**	$	3,910

On behalf of the Board:

"Vernon Lobo" Director "Geoffrey Rotstein" Director

See accompanying notes to consolidated financial statements

EQ INC.

Consolidated Statements of Loss and Comprehensive Loss
(In thousands of Canadian dollars, except per share amounts)
December 31, 2019 and 2018

		2019		2018
Revenue (note 6)	**$**	**8,965**	$	5,868
Expenses:				
Publishing costs		**5,015**		3,137
Employee compensation and benefits		**3,026**		2,383
Other operating costs		**1,726**		1,498
Depreciation of property and equipment		**54**		46
Depreciation of right-of-use asset (note 5)		**76**		-
Amortization of intangible assets		**44**		59
		9,941		7,123
Loss from operations		**(976)**		(1,255)
Transaction costs of acquisition (note 3)		**-**		(24)
Additional contingent consideration (note 3)		**(406)**		-
Finance income (note 7)		**3**		1
Finance costs (note 7)		**(535)**		(622)
Net loss before income taxes		**(1,914)**		(1,900)
Deferred tax recovery (note 8)		**-**		70
Total comprehensive loss	**$**	**(1,914)**	$	(1,830)
Loss per share:				
Basic and diluted	**$**	**(0.04)**	$	(0.05)
Weighted average number of shares outstanding basic and diluted		**48,331,260**		40,034,188

See accompanying notes to consolidated financial statements

EQ INC.

Consolidated Statements of Changes in Shareholders' Equity (Deficiency)
(In thousands of Canadian dollars, except per share amounts)
Years ended December 31, 2019 and 2018

	Common shares						
	Number of shares	**Amount**	**Contributed surplus**	**Warrants**	**Accumulated other comprehensive loss**	**Deficit**	**Total equity (deficiency)**
	(note 13)						
Balance, January 1, 2019	47,483,306	$ 72,555	$ 2,605	$ 271	$ (2,062)	$ (73,740)	$ (371)
Net loss	-	-	-	-	-	(1,914)	(1,914)
Share-based payments (note 15)	-	-	155	-	-	-	155
Exercise of stock options (note 13 & 15)	21,332	4	(1)	-	-	-	3
Warrants issued (note 12 (b), 13 & 14)	-	-	-	257	-	-	257
Exercise of warrants (note 13 & 14)	466,198	280	-	-	-	-	280
Warrants exercised	-	55	-	(55)	-	-	-
Expiry of warrants (note 12)	-	-	216	(216)	-	-	-
Proceeds from private placement			-				
(note 13)	6,943,590	4,593	-	587	-	-	5,180
Share issuance costs (note 13)	-	(76)	-	-	-	-	(76)
Finders' warrants (note 13)	-	-	-	8	-	-	8
Balance, December 31, 2019	**54,914,426**	**$ 77,412**	**$ 2,975**	**$ 852**	**$ (2,062)**	**$ (75,654)**	**$ 3,522**

See accompanying notes to consolidated financial statements

EQ INC.

Consolidated Statements of Changes in Shareholders' Equity (Deficiency) (continued)
(In thousands of Canadian dollars, except per share amounts)
Years ended December 31, 2019 and 2018

	Common shares						
	Number of shares (note 13)	Amount	Contributed surplus	Warrants	Accumulated other comprehensive loss	Deficit	Total deficiency
Balance, January 1, 2018	32,124,203	$ 68,730	$ 2,550	$ 440	$ (2,062)	$ (71,910)	$ (2,252)
Net loss	-	-	-	-	-	(1,830)	(1,830)
Share-based payments (note 15)	-	-	56	-	-	-	56
Exercise of stock options (note 13 & 15)	19,666	2	(1)	-	-	-	1
Warrants issued (note 12 (b) &14)	-	-	-	271	-	-	271
Exercise of warrants (note 13 & 14)	11,727,197	1,149	-	-	-	-	1,149
Warrants exercised	-	440	-	(440)	-	-	-
Shares issued for acquisition of Tapped Networks Inc. (note 3)	1,000,000	630	-	-	-	-	630
Proceeds from private placement (note 13)	2,612,240	1,621	-	-	-	-	1,621
Share issuance costs (note 13)		(17)	-	-	-	-	(17)
Balance, December 31, 2018	47,483,306	$ 72,555	$ 2,605	$ 271	$ (2,062)	$ (73,740)	$ (371)

See accompanying notes to consolidated financial statements

EO INC.

Consolidated Statements of Cash Flows
(In thousands of Canadian dollars)
December 31, 2019 and 2018

		2019		2018
Cash flows from operating activities:				
Net loss	**$**	**(1,914)**	$	(1,830)
Adjustments to reconcile net loss to net cash flows from operating activities:				
Depreciation of property and equipment		**54**		46
Depreciation of right-of-use asset		**76**		-
Amortization intangible assets		**44**		59
Deferred tax recovery		**-**		(70)
Share-based payments (note 15)		**155**		56
Unrealized foreign exchange loss (gain)		**19**		(12)
Additional contingent consideration		**406**		-
Finance cost, net		**533**		585
Change in non-cash operating working capital (note 20)		**(417)**		(219)
Net cash used in operating activities		**(1,044)**		(1,385)
Cash flows from financing activities:				
Repayment of loans and borrowings (note 12 (b)(c))		**-**		(1,415)
Repayment of obligations under property lease		**(184)**		-
Issuance of promissory notes		**183**		-
Proceeds from exercise of warrants (note 13)		**280**		1,149
Proceeds from private placement (note 13)		**5,180**		1,621
Share issuance costs (note 13)		**(68)**		(17)
Proceeds from exercise of stock options (note 15)		**3**		1
Interest paid		**(246)**		(460)
Net cash from financing activities		**5,148**		879
Cash flows from investing activities:				
Interest income received (note 7)		**2**		1
Acquisition of Tapped Mobile		**169**		213
Earn-out payout (note 3)		**(744)**		-
Purchases of property and equipment (note 10)		**(30)**		(28)
Addition of intangible asset (note 11)		**(375)**		-
Net cash from (used) in investing activities		**(978)**		186
Increase (decrease) in cash		**3,126**		(320)
Foreign exchange gain (loss) on cash held in foreign currency		**(19)**		13
Cash, beginning of year		**584**		891
Cash, end of year	**$**	**3,691**	$	584

See accompanying notes to consolidated financial statements

1. Corporate information:

EQ Inc. ("EQ Works") or (the "Company") uses first-party, location-based behaviour signals, advanced data analytics, and proprietary software, EQ Works creates and targets customized, performance-boosting audience segments. Proprietary algorithms and data generate attribution models that connect consumer behavior in the physical world to consumer behavior in the digital world, solving complex challenges for brands and agencies. The Company is governed by the Ontario Business Corporations Act and is domiciled in Canada. The address of the Company's registered office is 1235 Bay Street, Suite 401, Toronto, ON, M5R 3K4. The Company is a publicly listed on the TSX Venture Exchange ("TSX-V").

2. Significant accounting policies:

(a) Statement of compliance:

These consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") and interpretations of the IFRS Interpretation Committee ("IFRIC"), as issued by the International Accounting Standards Board ("IASB"). The accounting policies applied in these consolidated financial statements are based on IFRS issued and outstanding as of December 31, 2019. The Board of Directors authorized the consolidated financial statements for issue on April 27, 2020.

(b) Basis of presentation and going concern:

The consolidated financial statements have been prepared under the historical cost basis. Other measurement bases used are described in the applicable notes.

The consolidated financial statements were prepared on a going concern basis, which assumes that the Company will continue in operation for the foreseeable future and will be able to realize its assets and discharge its liabilities and commitments in the normal course of business.

(c) Functional and presentation currencies:

These consolidated financial statements are presented in Canadian dollars, which is the functional currency of the Company and its subsidiaries.

2. Significant accounting policies (continued):

(d) Use of estimates and judgments:

The preparation of consolidated financial statements and application of IFRS often involve management's judgment and the use of estimates and assumptions deemed to be reasonable at the time they are made. The Company reviews estimates and underlying assumptions on an ongoing basis. Revisions are recognized in the period in which the estimates are revised and may impact future periods as well. Other results may be derived with different judgments or using different assumptions or estimates and events may occur that could require a material adjustment.

The following are critical accounting policies subject to such judgments and the key sources of estimation uncertainty that the Company believes could have the most significant impact on the reported consolidated results of operations and consolidated financial position.

Key sources of estimation uncertainty:

(i) Useful lives of intangible assets - Useful lives over which intangible assets are amortized are based on management's estimate of future use and performance. Expected useful lives are reviewed annually for any change to estimates and assumptions.

(ii) Revenue recognition – The recognition of revenue requires judgement in the assessment of performance obligation, whether they are distinct and separate, within a contract and the assessment of recognizing at a point in time or over a period of time. In instances of bundle contracts, management estimates and allocates the transaction price to each performance obligation based on its stand-alone selling price. The determination of whether revenue should be reported on a gross or net basis is based on an assessment of whether the Company is acting as the principal or an agent in these transactions with advertisers and involves judgement based on an evaluation of the terms of each arrangement. While none of the factors individually are considered presumptive or determinative, in reaching conclusions on gross versus net revenue recognition, management places the most weight on the analysis of whether the Company controls the services before they are transferred to the customer.

(iii) Expected credit losses - The Company monitors the financial stability of its customers and the environment in which they operate to make estimates regarding the likelihood that the individual trade receivable balances will be paid. The Company reviews the components of these accounts on a regular basis to evaluate and monitor this risk. The Company's customers are generally financially established organizations, which limits the credit risk relating to the customers. In addition, credit reviews by the Company take into account the counterparty's financial position, past experience and other factors.

2. Significant accounting policies (continued):

(d) Use of estimates and judgments (continued):

(iv) Share-based payments - The estimated fair value of stock options is determined using the Black-Scholes option pricing model. Inputs to the model are subject to various estimates related to volatility, interest rates, dividend yields and expected life of the stock options issued. Fair value inputs are subject to market factors, as well as internal estimates. In addition to the fair value calculation, the Company estimates the expected forfeiture rate with respect to equity-settled share-based payments based on historical experience.

(v) Earn-out – Acquisition – the fair value of contingent consideration liabilities is based on the estimated future financial performance of the acquired business. Financial targets used in the estimation process include certain defined financial targets and realized internal rates of return.

(vi) Debt extinguishment - From time to time, the Company pursues amendments to its credit agreements based on prevailing market conditions. Such amendments, when completed, are considered by the Company to be debt modifications or extinguishments. The accounting treatment of a debt modification depends on whether the modified terms are substantially different than the previous terms. Terms of an amended debt agreement are considered to be substantially different based on qualitative factors, or when the discounted present value of the cash flows under the new terms discounted using the original effective interest rate, is at least ten percent different from the discounted present value of the remaining cash flows of the original debt. If the modification is not substantially different, it will be considered as a modification with any costs or fees incurred adjusting the carrying amount of the liability recorded through profit or loss at the date of modification. If the modification is substantially different then the transaction is accounted for as an extinguishment of the old debt instrument with an adjustment to the carrying amount of the liability being recorded in the consolidated statements of operations immediately.

(e) Business combinations:

The acquisition method of accounting is used to account for business combinations regardless of whether equity instruments or other assets are acquired. The consideration transferred is the sum of the acquisition-date fair values of the assets transferred, equity instruments issued or liabilities incurred by the acquirer to former owners of the acquiree and the amount of any non-controlling interest in the acquiree. For each business combination, the non-controlling interest in the acquiree is measured at either fair value or at the proportionate share of the acquiree's identifiable net assets. All acquisition costs are expensed as incurred to profit or loss.

2. Significant accounting policies (continued):

(e) Business combinations (continued):

On the acquisition of a business, the acquirer assesses the financial assets acquired and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic conditions, the consolidated entity's operating or accounting policies and other pertinent conditions in existence at the acquisition-date. Contingent consideration to be transferred by the acquirer is recognised at the acquisition-date fair value. Subsequent changes in the fair value of the contingent consideration classified as an asset or liability is recognised in profit or loss. Contingent consideration classified as equity is not remeasured and its subsequent settlement is accounted for within equity. The difference between the acquisition-date fair value of assets acquired, liabilities assumed and any non-controlling interest in the acquiree and the fair value of the consideration transferred and the fair value of any pre-existing investment in the acquiree is recognised as goodwill. If the consideration transferred and the pre-existing fair value is less than the fair value of the identifiable net assets acquired, being a bargain purchase to the acquirer, the difference is recognised as a gain directly in profit or loss by the acquirer on the acquisition-date, but only after a reassessment of the identification and measurement of the net assets acquired, the non-controlling interest in the acquiree, if any, the consideration transferred and the acquirer's previously held equity interest in the acquirer.

Business combinations are initially accounted for on a provisional basis. The acquirer retrospectively adjusts the provisional amounts recognised and also recognises additional assets or liabilities during the measurement period, based on new information obtained about the facts and circumstances that existed at the acquisition-date. The measurement period ends on either the earlier of (i) 12 months from the date of the acquisition or (ii) when the acquirer receives all the information possible to determine fair value.

(f) Goodwill:

Goodwill is initially recognized at cost, being the excess of the purchase price of acquired businesses over the estimated fair value of the tangible and intangible assets acquired and liabilities assumed at the date acquired, and is allocated to the cash generating unit ("CGU") expected to benefit from the acquisition. A CGU is the smallest group of assets for which there are separately identifiable cash flows.

Subsequently, goodwill and indefinite life intangible assets are not amortized but are assessed at the end of each reporting period for impairment and more frequently whenever events or circumstances indicate that their carrying value may not be fully recoverable. The Company considers the relationship between its market capitalization and its book value, as well as other factors, when reviewing for indicators of impairment. Goodwill is assessed for impairment based on the CGUs or group of CGUs to which the goodwill relates. Any potential goodwill impairment is identified by comparing the recoverable amount of a CGU or group of CGUs to its carrying value which includes the allocated goodwill. If the recoverable amount is less than its carrying value, an impairment loss is recognized.

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

2. Significant accounting policies (continued):

(f) Goodwill (continued):

The Company may need to test its goodwill for impairment between its annual test dates if market and economic conditions deteriorate or if volatility in the financial markets causes declines in the Company's share price, increases the weighted average cost of capital, or changes valuation multiples or other inputs to its goodwill assessment. In addition, changes in the numerous variables associated with the judgments, assumptions, and estimates made by management in assessing the fair value could cause them to be impaired. Goodwill impairment charges are non-cash charges that could have a material adverse effect on the Company's consolidated financial statements but in themselves do not have any adverse effect on its liquidity, cash flows from operating activities or debt covenants.

An impairment loss of goodwill is not reversed. For other assets, an impairment loss may be reversed if the estimates used to determine the recoverable amount have changed. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount or the carrying amount that would have been determined, net of amortization or depreciation, had no impairment loss been recognized for the asset in prior years. The reversal is recognized in the consolidated statements of income.

(g) Basis of consolidation:

(i) Subsidiaries:

Subsidiaries are entities controlled by the Company. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases.

On January 1, 2019, the Company amalgamated Cyberplex Ontario Holdings Inc. into EQ Inc. and amalgamated CX Digital Media Inc., Cyberplex Services Inc., 1887811 Ontario Inc. and Bootcamp Media Inc. into EQ Advertising Group Ltd.

The Company has the following wholly owned subsidiaries:

Subsidiary	Jurisdiction of incorporation	Ownership interest December 31, 2019	December 31, 2018
CX Digital Media U.S.A Inc.	Delaware	100%	100%
CX Digital Media Inc.	Ontario	Amalgamated	100%
EQ Advertising Group Ltd.	Ontario	100%	100%
Cyberplex Services Inc.	Ontario	Amalgamated	100%
Cyberplex Ontario Holdings Inc.	Ontario	Amalgamated	100%
1887811 Ontario Inc.	Ontario	Amalgamated	100%
CX U.S.A Southwest Inc.	Texas	100%	100%
CX U.S.A. Pacific, Inc.	California	100%	100%
Bootcamp Media Inc.	Ontario	Amalgamated	100%
Tapped Networks Inc. (note 3)	Ontario	100%	100%

2. Significant accounting policies (continued):

(g) Basis of consolidation (continued):

(ii) Transactions eliminated on consolidation:

Intercompany balances and transactions, and any unrealized income and expenses arising from such transactions, are eliminated upon consolidation.

(h) Foreign currency transactions:

Transactions in foreign currencies are translated to the respective functional currencies of the Company and its subsidiaries at exchange rates at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the reporting date are retranslated to the functional currency using the exchange rate at that date. Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are translated to the functional currency using the exchange rate at the date that the fair value was determined.

Foreign currency differences arising on translation are recognized in finance income or cost. Non-monetary assets and liabilities and related depreciation and amortization are translated at historical exchange rates. Revenue and expenses, other than depreciation and amortization, are translated at the monthly average rates of exchange for the year.

(i) Financial instruments:

The Company classifies its financial assets in the following measurement categories:

(i) Those to be measured subsequently through fair value (either through other comprehensive income (“OCI”), or through profit or loss), and

(ii) Those to be measured at amortized cost using the effective interest method.

At initial recognition, the Company measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss (“FVPL”), transaction costs that are directly attributable to the acquisition of the financial asset. The transaction costs of a financial asset carried at FVPL are expensed in profit or loss.

Financial instruments at amortized costs: Financial instruments at amortized costs include cash, accounts receivable, accounts payable and accrued liabilities, loan and borrowings, lease liability and other current and non-current liabilities. Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortized costs. When material, interest income from these financial assets are included in finance income using the effective interest rate method. Impairment losses are presented as a separate line item in the statement of operations.

2. Significant accounting policies (continued):

(i) Financial instruments (continued):

Equity instruments: The Company subsequently measures all equity instruments at fair value. Dividends from such investments will be recognized in profit or loss as other income when the Company's right to receive payments is established. Changes in the fair value of the financial assets at FVPL are recognized in other gains or (losses) in the statement of operations as applicable. Impairment losses (and reversal of impairment losses) on equity investments measured at FVPL are not reported separately from other changes in fair value.

For assets measured at fair value, gains and losses will be recorded directly in the statement of operations or OCI. For financial assets other than equities measured at fair value through other comprehensive income ("FVOCI") changes in the carrying amount will be recorded in OCI except for recognition of impairment losses, interest revenue and foreign exchange gain and losses on the instrument's amortized cost which are recognized in income. For investments in equity instruments that are not held for trading, this will depend on whether the Company has made an irrevocable election at the time of initial recognition to account for the equity instrument at FVOCI.

When derecognized the cumulative gain or loss in OCI (on non-equity FVOCI financial assets) is reclassified from equity to income. Interest income is recognized on FVOCI financial assets using the effective interest method.

Impairment of Financial Assets

The Company assesses on a forward-looking basis the expected credit losses associated with its debt instruments carried at amortized cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

For accounts receivables, the Company applies the simplified approach permitted by IFRS 9, which requires ECL to be recognized from initial recognition of the receivables.

2. Significant accounting policies (continued):

(j) Property and equipment:

(i) Recognition and measurement:

Property and equipment are measured at cost less accumulated depreciation and accumulated impairment losses. Cost includes expenditures that are directly attributable to the acquisition of the asset. Gains and losses on disposal of an item of property and equipment are determined by comparing the proceeds from disposal with the carrying amount of property and equipment and are recognized net within loss from operations.

The costs of the day-to-day servicing of property and equipment are recognized in operating income as incurred.

(ii) Depreciation:

Depreciation is calculated over the depreciable amount, which is the cost of an asset, or other amount substituted for cost, less its estimated residual value. Depreciation is recognized on a straight-line basis over the estimated useful lives of the property and equipment, since this most closely reflects the expected pattern of consumption of the future economic benefits embodied in the asset.

The estimated useful lives for the current and comparative years are as follows:

Furniture and fixtures	4 years
Computer equipment	3 years
Leasehold improvements	Lesser of useful life and term of lease

Depreciation methods, useful lives and residual values are reviewed at each financial year end and adjusted, if appropriate.

(k) Intangible assets:

(i) Intangible assets:

Intangible assets that are acquired by the Company and have finite useful lives are measured at cost less accumulated amortization and accumulated impairment losses.

Intangible assets are recorded at cost when internally generated and at fair value when acquired during a business acquisition. Intangible assets are amortized over their estimated useful lives.

2. Significant accounting policies (continued):

(k) Intangible assets (continued):

(i) Intangible assets (continued):

Software platform: Certain costs incurred in connection with the development of software to be used internally is capitalized once a project has progressed beyond a conceptual, preliminary stage to that of application development. Development costs that are directly attributable to the design and testing of identifiable and unique software products controlled by the Company are recognized as intangible assets when the following criteria are met;

1. It is technically feasible to complete the software product so that it will be available for use;
2. Management intends to complete the software product and use or sell it;
3. There is an ability to use or sell the software product;
4. It can be demonstrated how the software product will generate probable future economic benefits;
5. Adequate technical, financial and other resources to complete the development and to use or sell the software product are available;
6. The expenditure attributable to the software product during its development can be reliably measured.

Costs that qualify for capitalization include both internal and external costs.

(ii) Amortization:

Amortization is calculated over the cost of the asset less its estimated residual value, which typically is expected to be nil. Amortization is recognized in profit or loss on a straight-line basis over the estimated useful lives of intangible assets, other than goodwill, from the date that they are available for use, since this most closely reflects the expected pattern of consumption of the future economic benefits embodied in the asset. Useful lives, residual values and amortization methods for intangible assets with finite lives are reviewed at least annually.

The estimated useful lives for the current and comparative years are as follows:

Customer relationships	6 years
Software	5 years
Non-compete	2 years
Backlog	Less than 1 year

2. Significant accounting policies (continued):

(k) Intangible assets (continued):

(iii) Research and development:

Research and development activities are assessed to determine if they qualify for recognition as internally generated intangible assets. Apart from complying with the general requirements for initial measurement of an intangible asset, qualification criteria are met only when technical as well as commercial feasibility can be demonstrated and cost can be reliably measured. It must also be probable that the intangible asset will generate future economic benefits, be clearly identifiable and allocable to a specific product. Further to meeting these criteria, only such costs that relate solely to the development phase of a self-initiated project are capitalized. Any costs that are classified as part of the research phase of a self-initiated project are expensed as incurred. If the research phase cannot be clearly distinguished from the development phase, the respective project-related costs are treated as if they were incurred in the research phase only. Capitalized development costs are amortized over the estimated useful life of the internally generated intangible asset. Internally generated intangible assets are reviewed for impairment annually when the asset is not yet in use or when events or changes in circumstances indicate that the carrying amount may not be recoverable and the asset is in use

For the year ended December 31, 2019 $79 (2018 - $43) of research and development costs have been reimbursed from the Scientific Research and Experimental Development and Industrial Research Assistance Tax Incentive Program recorded a as part of employee compensation and benefits in profit or loss.

(l) Impairment:

(i) Financial assets, including accounts receivable:

A financial asset is considered impaired if objective evidence indicates that one or more events have had a negative effect on the estimated future cash flow of that asset that can be estimated reliably. Individually significant financial assets are tested for impairment on an individual basis. The remaining financial assets are assessed collectively based on the nature of the asset.

An impairment loss on loans and receivables is measured as the difference between the asset's carrying amount and the present value of the future cash flows expected to be derived from the asset. The carrying value is reduced through the use of an expected credit losses accounts, with the loss recognized in the statement of profit or loss.

2. Significant accounting policies (continued):

(l) Impairment (continued):

(i) Financial assets, including accounts receivable (continued):

On January 1, 2018, the Company adopted IFRS 9, resulting in changes in accounting policies for financial instruments. In accordance with the transition provisions, the Company has adopted the standard rules retrospectively. There were no adjustments to the amounts recognized in the consolidated financial statements on adoption of the new standard. For trade and other receivables, the Company applies the simplified approach permitted by IFRS 9, Financial Instruments, which requires expected lifetime losses to be recognized at the time of initial recognition of the receivables. There was no impact due to this change in accounting policy.

(ii) Non-financial assets:

The carrying amounts of the Company's non-financial assets, other than deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. An impairment test is conducted annually, for intangible assets that are not yet available for use.

(m) Share-based payments:

Share-based payment arrangements in which the Company receives goods or services as consideration for its own equity instruments are accounted for as equity-settled share- based payment transactions.

The grant date fair value of share-based payment awards granted to employees is recognized as a compensation cost, with a corresponding increase in contributed surplus, over the vesting period of the award. The amount recognized is adjusted to reflect the number of awards for which the related service and non-market vesting conditions are expected to be met, such that the amount ultimately recognized is based on the number of awards that vest. Upon exercising the awards, such as options, the fair value of the stock options exercised that has been expensed to contributed surplus along with the cash received is reclassified to common shares and reflected in the statements of changes in shareholders' equity.

2. Significant accounting policies (continued):

(n) Warrants:

The Company follows the relative fair value method with respect to the measurement of common shares and warrants issued as private placement units. The proceeds from the issuance of units are allocated between share capital and warrants. Unit proceeds are allocated to shares and warrants using the Black-Scholes option pricing model and the share price at the time of financing. If and when the warrants are exercised, the applicable relative fair value recognized in warrants is transferred to share capital. Any consideration paid on the exercise of the warrants is credited to share capital. For those warrants that expire unexercised on maturity, the recorded value is transferred to contributed surplus. In situation where warrants are issued as consideration for goods and services received and some or all of the goods or services received cannot be specifically identified or reliably measured, then these warrants are measured at the fair value of the share-based payment. The fair value of the share-based payment is determined using the Black-Scholes option pricing model.

(o) Provisions:

A provision is recognized if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. The timing or amount of the outflow may still be uncertain. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognized as finance cost.

(p) Revenue:

Revenue is recognized based on the five-step model outlined in IFRS 15:

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

The Company determines collectability by performing ongoing credit evaluations and monitoring its customers' accounts receivable balances. For new customers and their agents, which may be advertising agencies or other third parties, the Company may performs a credit check with an independent credit agency and checks credit references to determine creditworthiness. The Company only recognizes revenue when collection is reasonably assured. If collection is not considered reasonably assured, revenue is recognized only once all amounts are collected.

2. Significant accounting policies (continued):

(p) Revenue (continued):

In instances where the Company contracts with third party advertising agencies on behalf of their advertiser clients, a determination is made to recognize revenue on a gross or net basis based on an assessment of whether the Company is acting as the principal or an agent in the transaction. The Company is acting as the principal in these arrangements and therefore revenue earned and costs incurred are recognized on a gross basis as the Company has control and is responsible for fulfilling the advertisement delivery, establishing the selling prices and the delivery of the advertisements for fully managed revenue, providing training and updates for the self- serve proprietary platform and performing all billing and collection activities.

The timing of revenue recognition sometimes differs from the contract payment schedule, resulting in revenues that have been billed but not earned which are recorded as contract liabilities. As at December, 31, 2019 the Company had $24 (2018 - $348) in contract liabilities.

In instances where the Company collects payment in advance and there is a significant financing component, the practical expedient is applied as the period from delivery of the goods or services is within one year of when the customer pays. No adjustment is made to the transaction price. The practical expedient is also applied to commission contract costs and these are expensed as incurred.

Advertising Services

The Company generates revenue from the delivery of targeted digital media solutions, enabling advertisers to connect intelligently with their audiences across online display, video, social and mobile campaigns using its Programmatic Marketing Platform. The Company offers its services on a fully-managed and a self-serve basis. In instances of self-serve basis, the Company also provides its customers with access to the Programmatic Marketing Platform which includes promises related to hosting and support services. These arrangements are evidenced by a fully executed insertion order (“IO”). Generally, IOs specify the number and type of advertising impressions to be delivered over a specified time at an agreed upon price and performance objectives for an ad campaign based on client needs. Performance obligation are generally a measure of targeting as defined by the parties in advance, such as number of ads displayed, consumer clicks on ads or consumer actions (which may include qualified leads, registrations, downloads, inquiries or purchases). These payment models are commonly referred to as cost per impression (“CPM”), cost per click (“CPC”) and cost per action (“CPA”). The performance obligations are satisfied over time as the volume of impressions are delivered up to the contractual maximum for fully-managed revenue and the delivery of impressions for self-serve. Revenue is recognized over time using the output method when the performance obligations are satisfied. Typically, campaigns run for a period of one to three months and are billed at the end of the month.

2. Significant accounting policies (continued):

(p) Revenue (continued):

Fixed Fee Data Sales

The Company provides customers with research and analytics of data. The Company has concluded that these promises are not distinct and are recognized as one performance obligation. The IOs will specify the fixed fee arrangement to be delivered over an agreed upon price. Revenue is recognized as the performance obligation are satisfied over time as the services are provided to the customer. Typically this service is bundled with advertising services and campaigns are generally for a period of one month and are billed at the end of the month.

CPM Data Sales

The Company provides customers with the ability to track the effectiveness of advertisements. The payment model is measured based on the number of impressions for results achieved through the tracking. The performance obligation are satisfied over time as the volume of impressions are delivered up to the contractual maximum. Revenue is recognized over time using the output methods when the performance obligations are satisfied. Typically, campaigns run for a period of one to three months and are billed at the end of the month.

Other Services

The Company provides customers with consultation services to improve advertisement effectiveness and performance. These services are fixed fee arrangements for specified consulting services and each project is considered distinct. Each performance obligation is satisfied over time as the services are provided to the customer. Revenue is recognized using the input method for time incurred compared to the estimated time for specified services.

(q) Lease payments:

The Company has adopted IFRS 16 retrospectively from January 1, 2019, but has not restated comparative information, as permitted under the specific transitional provisions in the standard in accordance with the modified retrospective approach for adoption. The reclassifications and the adjustments arising from the new leasing standard are therefore recognized in the opening consolidated balance sheet on January 1, 2019.

The core principle is that a lessee recognizes assets and liabilities for all leases with a lease term of more than 12 months. A lessee is required to recognize a right-of-use asset representing its right to use the underlying leased asset and a lease liability representing its obligation to make lease payments. Assets and liabilities arising from a lease are initially measured on a present value basis. The measurement of the lease liability includes payments to be made in optional periods if the lessee is reasonably certain to exercise an option to extend the lease, or not to exercise an option to terminate the lease.

Lease payment do not include variable lease payments other than those that depend on an index or rate. The right-of-use asset is derived from the calculation of the lease liability and also includes any provisions the lessee is reasonably certain to owe for return conditions on leased assets.

2. Significant accounting policies (continued):

(q) Lease payments (continued):

Under adoption of IFRS 16 on January 1, 2019, the Company recognized right-of-use asset and corresponding liability at the date of which the leased asset is available for use by the Company. Lease payment is allocated between the liability and interest expense. The interest cost is charged to the Consolidated Statements of Loss over the lease period to produce a constant rate of interest on the remaining balance of the liability for each period. The right-of-use is depreciated over the lease term on a straight-line basis.

Income Statement impacts: The impacts on the Consolidated Statements of Loss is an elimination of office rent, which was recorded in other operating expenses, for the contract which is recognized as lease, and instead is replaced by depreciation of right-of-use asset and interest cost on the lease liability.

(r) Finance income and finance cost:

Finance income comprises interest income on funds invested (including available-for-sale financial instruments), gains on the disposal of available-for-sale financial assets and changes in the fair value of financial assets at fair value through profit or loss. Interest income is recognized as it accrues in profit or loss, using the effective interest method.

Finance cost comprises interest expense on loans and borrowings, changes in the fair value of financial instruments at fair value through profit or loss and impairment losses recognized on financial assets.

Foreign currency gain and losses arriving from the translation and settlement of assets and liabilities as well as revenue and expenses are reported on a net basis within finance cost (income).

(s) Income taxes:

Income tax expense for the year comprises current and deferred income taxes. Current taxes and deferred taxes are recognized in the consolidated statements of comprehensive income (loss), except to the extent that they relate to items recognized in OCI or directly in equity. In these cases, the taxes are also recognized in OCI or directly in equity, respectively.

2. Significant accounting policies (continued):

(s) Income taxes (continued):

The Company uses the asset and liability method of accounting for deferred income taxes. Under this method, the Company recognizes deferred income tax assets and liabilities for future income tax consequences attributable to temporary differences between the consolidated statement of financial position carrying amounts of assets and liabilities and their respective income tax bases, and on unused tax losses and tax credit carryforwards. The Company measures deferred income taxes using tax rates and laws that have been enacted or substantively enacted at the reporting date and are expected to apply when the related deferred income tax asset is realized or the deferred income tax liability is settled. The Company recognizes deferred income tax assets only to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences, as well as unused tax losses and tax credit carryforwards can be utilized. Deferred income tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized. The Company recognizes the effect of a change in income tax rates in the year of enactment or substantive enactment.

Deferred income taxes are not recognized, if they arise from the initial recognition of goodwill, nor are they recognized on temporary differences arising from the initial recognition of an asset or liability in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss. Deferred income taxes are also not recognized on temporary differences relating to investments in subsidiaries to the extent that it is probable that the temporary differences will not reverse in the foreseeable future.

An entity shall offset deferred tax assets and deferred tax liabilities if, and only if:

(a) the entity has a legally enforceable right to set off current tax assets against current tax liabilities; and
(b) the deferred tax assets and the deferred tax liabilities relate to income taxes levied by the same taxation authority on either:

   (i) the same taxable entity; or

   (ii) different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered

The Company records current income tax expense or recovery based on taxable income earned or loss incurred for the year in each tax jurisdiction where it operates, and for any adjustment to taxes payable in respect of previous years, using tax laws that are enacted or substantively enacted at the consolidated statements of financial position dates.

2. Significant accounting policies (continued):

(s) Income taxes (continued):

In the ordinary course of business, there are many transactions for which the ultimate tax outcome is uncertain. The final tax outcome of these matters may be different from the estimates originally made by management in determining the Company's income tax provisions. Management periodically evaluates the positions taken in the Company's tax returns with respect to situations in which applicable tax rules are subject to interpretation.

The Company establishes provisions related to tax uncertainties where appropriate, based on its best estimate of the amount that will ultimately be paid to or received from tax authorities.

(t) Loss per share

Basic loss per share amounts are calculated by dividing net loss for the year attributable to common shareholders by the weighted average number of common shares outstanding during the year. Diluted loss per share amounts are calculated by dividing the net loss attributable to common shareholders by the weighted average number of shares outstanding during the period plus the weighted average number of shares that would be issued on the conversion of all the dilutive potential ordinary shares into common shares.

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

3. Acquisition:

On October 15, 2018, the Company completed the purchase of 100% of the shares of Tapped Networks Inc. (“Tapped Mobile”), an Ontario based company. Tapped’s marketing solutions enables and expand the Company’s offering and enter into new markets as the Company continue to help the Company’s clients drive better business results. Pursuant to the purchase and effective upon closing, Tapped Mobile became a wholly owned subsidiary of EQ Inc. and all issued and outstanding common shares of Tapped Mobile were transferred to EQ Inc. The total consideration was up to $3,500 through the issuance of 1,000,000 common shares at a price of $0.63 to the shareholders of Tapped Mobile and additional cash consideration of up to $2,800 to be paid out over the following 24 months based on certain performance thresholds being met.

The acquisition has been accounted for as a business combination with EQ Inc. as the acquirer. Transaction costs of $24 associated with the acquisition were expensed.

The allocation of the purchase consideration was and subsequent recognition of additional Earn-out as follows:

Allocation		
Cash and cash equivalents	$	**213**
Accounts receivable		**758**
Other current and non-current assets		**33**
Fixed assets		**6**
Intangible assets		**265**
Goodwill		**535**
Current liabilities		**(385)**
Deferred revenue		**(389)**
Deferred tax liability		**(70)**
Net assets acquired		**966**

Purchase consideration:		
Consideration in the Company’s common shares (1,000,000 common shares)	$	**630**
Contingent consideration (“Earn-out”)		**505**
Working capital adjustment		**(169)**
Purchase consideration		**966**

The acquisition agreement provides for contingent consideration payment up to $2,800, based on achievement of certain predetermined revenue and gross profits targets, in the 24-months period following the closing of the acquisition to a maximum total compensation paid to the former shareholders of Tapped Mobile up to $3,500. The Company has estimated the Earn-out to be $319 and $281 in the first and second year of the contingent consideration period, respectively. The estimated Earnout consideration was fair valued by discounting the after-tax cash flow over the life of the capital payment period of two years at a discount rate of 18% to be $505 and was recognized at December 31, 2018.

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

3. Acquisition (Continued):

For the year ended December 31, 2019, an accretion of $70 in carrying amount of Earn-out was recorded because of the use of present value factor at initial measurement. Subsequent to the date of acquisition, the Company recorded an additional Earn-out of $406 which has been recognized in profit and loss. The first year of Earn-out of $744 was paid in December 2019.

As at December 31, 2018, the Company recognized goodwill of $535 arising from the acquisition of Tapped Mobile, on October 15, 2018. The acquisition of Tapped Mobile will provide increased scale to the Company's existing business and additional sales presence to better service the Canadian market and pursue strategic new partnership opportunities with some of North America's leading companies for mobile and digital marketing solutions.

Goodwill is impaired if the recoverable amount is less than the carrying amount. The recoverable amount of an asset is the higher of its fair value less costs to sell and value in use.

The Company uses estimates in determining the recoverable amount of goodwill. The determination of the recoverable amount for the purpose of impairment testing requires the use of significant estimates, such as: future cash flows; terminal growth rates; and discount rates. The Company has not identified any goodwill impairments as at December 31, 2019.

The majority of the Tapped Mobile customers are located in Canada and USA. As at December 31, 2019, the expected credit losses was $6 from the accounts receivable of $290. The Company reviews
the components of these accounts on a regular basis to evaluate and monitor this risk. The Company's customers are generally financially established organizations, which limits the credit risk relating to the customers.

4. Goodwill:

Changes to the carrying amount of goodwill during the fiscal years ended December 31, 2019 and December 31, 2018 were as follows:

		Goodwill
Balance at January 1, 2018	$	-
Acquired through business combination (Note 3)		535
Goodwill at December 31, 2018 and 2019		535

On December 31, 2019, and December 31, 2018, the Company performed its annual goodwill impairment test in accordance with its policy described in note 2. Based on the results of the 2019 and 2018 tests, the Company concluded that the recoverable amount of each CGU exceeded its carrying amount and, therefore, goodwill was not impaired.

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

4. Goodwill (continued):

The CGU's recoverable amount was determined based on fair value less cost to sell using a 5 year discounted cash flow model. Key assumptions used in the discounted cash flow model are as follows: (a) projected revenue used in the forecast was estimated considering current and historical results with growth rates between 1% and 3% and a 2% terminal growth to reflect the inflationary growth, (b) projected general and administrative expenses used in the forecast were estimated using current and historical results as a percentage of revenue with consideration to variable costs, with fixed costs estimated to remain fairly constant, and (c) working capital and capital expenditures were estimated considering industry benchmarks as a percentage of revenue. The discount rate applied in the discounted cash flow model was 19.8%. The inputs used in determining their fair values are level 3 inputs.

As at December 31, 2019, the recoverable amounts of the Tapped Mobile CGU exceeds its carrying amounts and management believes that no reasonably possible change in any of key assumptions would have caused the carrying amount to exceed its recoverable amount.

5. Right-of- use asset and lease liability:

The Company has one office facility under lease. The lease term is 5 years from 2017, with an option to renew the lease after that date.

Non-cancellable lease rentals are payable as follows:

		2019		2018
Less than 1 year	**$**	**186**	$	184
Between 1 and 5 years		**236**		448
more than 5 years		**-**		-
	$	**422**	$	632

On adoption of IFRS 16, the Company recognized lease liabilities in relation to leases which had previously been classified as ‘operating leases’ under the principles of IAS 17, “Leases”. These liabilities were measured at the present value of the remaining lease payments, discounted using the lessee’s incremental borrowing rate as of January 1, 2019. The lessee’s incremental borrowing rate applied to the lease liabilities on January 1, 2019 was 7.5%.

		2019
Operating lease commitments discounted using the Lessee’s Incremental borrowing rate at the date of initial application	**$**	**222**
Lease liability recognized as at January 1, 2019		**222**

For the year ended December 31, 2019, an accretion of $14 in carrying amount of lease liability was recorded because of the use of present value factor at initial measurement.

For the year ended December 31, 2019, variable lease payments of $76 was recorded.

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

5. Right-of- use asset and lease liability (continued):

The Company's lease liability and movements therein during the year ended December 31, 2019:

		Lease liability
Lease liability recognized on adoption of IFRS 16 on January 1, 2019	$	222
Accretion on lease liability		14
Lease payment		(78)
Lease liability at December 31, 2019		158
Of which are:		
Current lease liabilities	$	70
Long-term lease liabilities		88
		158

The Company's right-of-use assets and movements therein during the year ended December 31, 2019:

		Office lease
Right-of-use assets recognized on adoption of IFRS 16 on January 1, 2019	$	222
Depreciation on right-of-use assets		(76)
Right-of-use assets at December 31, 2019		146

6. Segment information:

The Company's management and chief operating decision maker reviews performance of the Company on a consolidated basis and has integrated its services as one operating segment, which provides real-time technology and advance analytics to improve performance for all web, mobile, social and video advertising initiatives and focuses on targeted advertising and incorporates the most sophisticated advertising technologies, data analytics and programmatic media buying capabilities into a single system. The chief operating decision maker evaluates the Company's performance, makes operating decision, and allocates resources based on financial data consistent with the presentation in these financial statements.

The Company's assets and operations are all located in Canada; however, the Company services customers in the United States and internationally.

The Company generates revenue across three geographical regions; customer revenue by region is as follows:

		2019		2018
Canada	$	7,513	$	5,279
United States		1,445		588
Outside North America		7		1
	$	8,965	$	5,868

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

6. Segment information (continued):

In 2019, there were three customers that comprised 27%, 13% and 11%, respectively, of the Company's total revenue from operations. In 2018, there were two customers that comprised 34% and 13%, respectively of the Company's total revenue from operations.

The Company generates revenue across four streams is as follows:

	2019	2018
Advertising Services	**$ 7,278**	$ 4,934
Fixed Fee Data Sales	**864**	415
CPM Data Sales	**684**	334
Other Services	**139**	185
	$ 8,965	$ 5,868

7. Finance income and finance cost:

	2019	2018
Finance income:		
Interest income on cash	**2**	1
Foreign exchange gain, net	**1**	-
Total finance income	**3**	1

	2019	2018
Finance costs:		
Other interest expense	**(8)**	(6)
Accretion on Earn-out (note 3)	**(70)**	-
Accretion on lease	**(76)**	-
Accretion on promissory notes (note 12 (b))	**(198)**	(362)
Interest on loans and borrowings (note 12 (b))	**(183)**	(223)
Foreign exchange loss, net	**-**	(31)
Total finance costs	**(535)**	(622)

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

8. Income taxes:

(a) Income tax expense:

The following table reconciles income taxes calculated at combined Canadian federal and provincial tax rates with the income tax expense in these consolidated financial statements:

		2019		2018
Loss before income taxes	**$**	**(1,914)**	$	(1,900)
Statutory rate		**26.5%**		26.5%
Expected income tax recovery		**(507)**		(503)
Effect on income taxes of unrecognized deferred income tax assets relating to deductible temporary differences on:				
Impact of ITCs		**12**		9
Non-deductible expenses and other items		**346**		411
Change in rates		**-**		(190)
Change deferred taxes not recognized		**149**		(343)
Deferred tax recovery	**$**	**-**	$	70

(b) Unrecognized deferred income taxes:

Deferred tax assets have not been recognized in respect of the following items, because it is not probable that future taxable profit will be available against which the Company can use the benefits therefrom.

The temporary differences that give rise to deferred income tax assets and deferred income tax liabilities are presented below:

		2019		2018
Amounts related to tax loss and SRED costs	**$**	**99,099**	$	98,680
Property and equipment and intangible assets		**358**		259
Share issue cost		**77**		22
Change deferred taxes not recognized	**$**	**99,525**	$	98,961

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

8. Income taxes (Continued):

(b) Unrecognized deferred income taxes (continued):

The Company also has non-capital losses of approximately $40,172 expiring as follows:

2029	$	2,325
2030		907
2031		3,469
2032		9,614
2033		3,077
2034		14,547
2035		1,974
2036		1,768
2037		998
2038		703
2039		790
	$	40,172

In addition, the Company has undeducted scientific research and experimental development ("SRED") costs of approximately $422 available to apply against future taxable income, as well as federal investment tax credits SRED costs of approximately $1,140 and provincial investment tax credits relating to SRED of approximately $248 available to reduce future taxes payable. The Company also has capital losses of $58,119 available. The potential tax benefit relating to the non-capital losses, capital losses and tax credit carryforwards has not been reflected in these consolidated financial statements.

9. Other current assets and accounts payable and accrued liabilities:

(a) Other current assets:

The major components of other current assets are as follows:

		2019		2018
Prepaid expenses	**$**	**153**	$	61
Accrued income		**44**		63
Other receivables		**-**		169
	$	**197**	$	293

(b) Accounts payable and accrued liabilities:

The major components of accounts payable and accrued liabilities are as follows:

		2019		2018
Trade accounts payable	**$**	**1,229**	$	1,399
Accrued liabilities		**476**		452
	$	**1,705**	$	1,851

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

9. Other current assets and accounts payable and accrued liabilities (continued):

(c) Contract liabilities:

		2019		2018
Outstanding, beginning of the year	**$**	**348**	$	10
Addition		**7**		105
Acquisition of Tapped Mobile		**-**		389
Earned		**(331)**		(156)
	$	**24**	$	348

10. Property and equipment:

		Furniture and fixtures		Computer equipment		Leasehold improvements		Total
Cost								
Balance, January 1, 2018	$	34	$	48	$	100	$	182
Additions		–		28		–		28
Acquisition (note 3)		2		4		–		6
Balance, December 31, 2018	$	36	$	80	$	100	$	216
Cost								
Balance, January 1, 2019	$	36	$	80	$	100	$	216
Addition		8		22		–		30
Balance, December 31, 2019	$	44	$	102	$	100	$	246
Depreciation								
Balance, January 1, 2018	$	13	$	17	$	15	$	45
Depreciation		9		17		20		46
Balance, December 31, 2018	$	22	$	34	$	35	$	91
Depreciation								
Balance, January 1, 2019	$	22	$	34	$	35	$	91
Depreciation		8		26		20		54
Balance, December 31, 2019	$	30	$	60	$	55	$	145
Carrying amounts								
December 31, 2018	$	14	$	46	$	65	$	125
December 31, 2019	$	14	$	42	$	45	$	102

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

11. Intangible assets:

	Customer relationships	Non-compete	Backlog	Software	Total
Cost					
Balance January 1, 2018	$ –	$ –	$ –	$ –	$ –
Acquisition (note 3)	190	25	50	–	265
Balance, December 31, 2018	**$ 190**	**$ 25**	**$ 50**	**$ –**	**$ 265**
Cost					
Balance January 1, 2019	$ 190	$ 25	$ 50	$ –	$ 265
Addition	–	–	–	375	375
Balance, December 31, 2019	**$ 190**	**$ 25**	**$ 50**	**$ 375**	**$ 640**

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

11. Intangible assets (continued):

Amortization	Customer relationships	Non-compete	Backlog	Software	Total
Balance, January 1, 2018	$ –	$ –	$ –	$ –	$ –
Amortization	6	3	50	–	59
Balance, December 31, 2018	**$ 6**	**$ 3**	**$ 50**	**$ –**	**$ 59**
Amortization					
Balance January 1, 2019	$ 6	$ 3	$ 50	$ –	$ 59
Amortization	32	12	–	–	44
Balance, December 31, 2019	**$ 38**	**$ 15**	**$ 50**	**$ –**	**$ 103**
Carrying amounts					
Balance, December 31, 2018	$ 184	$ 22	$ –	$ –	$ 206
Balance, December 31, 2019	**$ 152**	**$ 10**	**$ –**	**$ 375**	**$ 537**

As of December 31, 2019, EQ has completed 75% of the development work and capitalized $375 of developers' salary. Since the product wasn't completed as at December 31, 2019, no amortization was recorded.

12. Loans and borrowings:

(a) Bank credit facility:

The Company secured a $500 revolving credit facility (the “Facility”), including credit card facility of $50, with a Canadian chartered bank on May 22, 2019. Borrowing under this Facility are secured by accounts receivable and the Facility bears interest at the bank’s prime rate plus 2.5% per annum. As at December 31, 2019, nil was outstanding under the Facility.

(b) Promissory notes payable:

On February 19, 2018, the Company entered into new promissory notes (the ‘2018 Notes’) in the amount of $1,534 was due on August 19, 2019. The 2018 Notes, which were non-convertible, bear interest at a rate of 10% with principal and interest due on the maturity date. The lenders received one and half non-transferable warrants (the “2018 Bonus Warrants”) for each dollar of principal amount of 2018 Notes, with each 2018 Bonus Warrant being exercisable for a period of eighteen months from the date of issuance for one common share of the Company at an exercise price of $0.60 per common share. All 2018 Bonus Warrants were subject to a four month hold period from the date of issuance in accordance with applicable securities law.

The 2018 Notes were separated into their liability and equity components using the effective interest rate method. The fair value of the liability component at the time of issue was calculated as the discounted cash flows for the debentures assuming an 26.47% effective interest rate which was the estimated rate for the debentures without the warrants. The fair value of the warrants was determined at the time of issue as the difference between the face value of the debentures and the fair value of the liability component. The value of the warrants has been classified as a component of equity.

On August 19, 2019, the 2018 Notes were fully repaid and 1,834,380 of the 2018 Bonus Warrants expired. 466,198 of the 2018 Bonus Warrants were exercised and resulted in the issuance of 466,198 common shares of the Company.

On August 19, 2019, the Company entered into debt financing (the “2019 Notes”) in the amount of $1,717 due on January 19, 2021. The 2019 Notes, which are non-convertible, bear interest at annual rate of 12% with principal and interest payment due on maturity date. The lenders received one and half non-transferable warrants (the “2019 Bonus Warrants”) for each dollar of principal amount of 2019 Notes, with each 2019 Bonus Warrants being exercisable for a period of seventeen months from the date of issuance for one common share of the Company at an exercise price of $0.66 per common share. All 2019 bonus Warrants are subject to a four month hold period from the date of issuance in accordance with the applicable securities law.

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

12. Loans and borrowings (continued):

(b) Promissory notes payable (continued):

The 2019 Notes were separated into their liability and equity components using the effective interest rate method. The fair value of the liability component at the time of issuance was calculated as the discounted cash flows for the debentures assuming a 26.47% effective interest rate which was the estimated rate for the debentures without the warrants. The fair value of the warrants was determined at the time of issuance as the difference between the face value of the debentures and the fair value of the liability component. The value of the warrants has been classified as a component of equity.

		2019		2018
2018 Notes, 10% Maturing August 2019	**$**	**-**	$	1,534
2019 Notes, 12% Maturing January 2021		**1,717**		-
Equity component of promissory notes payable		**(257)**		(271)
		1,460		1,263
Accrued interest and interest paid		**75**		134
Accretion in carrying amount of notes		**68**		180
Balance end of year	**$**	**1,603**	$	1,577

The following table outlines the activity for loans and borrowings

		2019		2018
Promissory notes balance, January 1,	**$**	**1,577**	$	3,132
Promissory notes		**1,717**		1,534
Repayment of promissory notes (2016, 2017 and 2018 Notes)		**(1,534)**		(2,949)
Warrants		**(257)**		(271)
Accretion of interest		**184**		362
Accrued interest		**145**		223
Interest Paid		**(229)**		(454)
Total promissory notes payable		**1,603**		1,577

(c) Change in liabilities arising from financing activities:

		Loans and borrowings
Balance, January 1, 2018	$	3,025
Net cash from financing activities		(1,560)
Balance, December 31, 2018		**1,465**
Net cash used in financing activities		-
Balance, December 31, 2019	**$**	**1,465**

13. Common shares:

The authorized share capital of the Company comprises an unlimited number of common shares without par value. The holders of common shares are entitled to receive dividends when declared and are entitled to one vote per share at annual meetings of the Company.

On June 29, 2018, the Company closed a private placement, resulting in the issuance 1,535,000 common shares of the Company at a price of $0.60 per share, resulting in proceeds of $921. The Company incurred share issuance costs of $7.

On October 15, 2018, the Company issued 1,000,000 common shares at a price of $0.63 for consideration of Tapped Mobile. (Note 3)

On December 31, 2018, the Company closed the first tranche of a private placement, resulting in the issuance of 1,077,240 common shares of the Company at a price of $0.65 per common share, resulting in proceeds of $700. The Company incurred share issuance costs of $10.

On January 9, 2019, the Company closed the second tranche of private placement, resulting in the issuance of 276,924 common shares of the Company at a price of $0.65 per common share, resulting in proceeds of $180.

On December 10, 2019, the Company completed the first tranche of a non-brokered private placement (the “Private Placement”) of 6,101,830 units (“Units”) at a price of $0.75 per Unit for aggregate gross proceeds of $4,577 (the “First Tranche”).

On December 17, 2019, the Company completed the second and final tranche of the Private Placement of 564,836 Units at a price of $0.75 per Unit for aggregate gross proceeds of $423 (the “Second Tranche”).

Each Unit is comprised of one common share in the capital of the Company (“Common Share”) and one-half of one common share purchase warrant (each full warrant, a “Warrant”). Each Warrant is exercisable at a price of $1.00 per Common Share, for a period of 24 months following the closing of the Private Placement. The expiry date of the Warrants may be accelerated by the Company at any time if the closing price of the Common Shares on the facilities of the TSX Venture Exchange is greater than $1.25 for any 10 consecutive trading days following the date that is four months and one day after the closing of the Private Placement.

In connection with the Private Placement, the Company paid finders fee of $26 in cash and issued 34,893 finder warrants at a fair value of $8 on the same terms as the Warrants.

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

13. Common shares (continued):

Total gross cash proceeds of $5,000 from the Private Placement were allocated as $4,413 and $587, respectively, to the common shares and warrants issued in the Private Placement based on their relative fair values at the closing date of the Private Placement. The Company incurred share issuance costs of $76, including the finder warrants.

During 2018, the Company received proceeds of approximately $1,149 as a result of the exercise of 11,727,197 warrants. Each warrant was converted into one common share. The bonus warrants were issued in connection with the Company's 2016 Notes and 2017 Notes, with expiry dates of February 18, 2018 and December 31, 2018, respectively. 7,502,854 of 2016 Bonus Warrants at $0.08 and 4,224,343 of 2017 Bonus Warrants at $0.13 were exercised.

On August 16, 2019, the Company received proceeds of $280 as a result of the exercise of 466,198 warrants at $0.60 per common share. Each warrant was converted into one common share. The bonus warrants were issued in connection with the Company's 2018 Notes, which were set to expire on August 19, 2019.

During 2019, 21,332 stock options were exercised into 21,332 common share with an average exercise price of $0.15 for a total proceeds of $3. During 2018, 19,666 stock options were exercised into 196,000 common share with an exercise price $0.05 for a total proceeds of $1.

14. Warrant Capital:

The Company had the following warrants outstanding at December 31, 2019

	2019			2018		
	Number of warrants		**Weighted average exercise price**	Number of warrants		Weighted average exercise price
Outstanding, beginning of year	2,300,578	$	0.60	11,727,197	$	0.10
Granted	5,943,207		0.85	2,300,578		0.60
Exercised	(466,198)		0.60	(11,727,197)		0.10
Expired	(1,834,380)		0.60	-		-
Outstanding, end of year	5,943,207	$	0.85	2,300,578	$	0.60

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

15. Share-based payments:

The following table summarizes the continuity of options issued under the Company's stock option plan (the "Plan") for the year ended:

	2019		2018	
	Number of options	**Weighted average exercise price**	Number of options	Weighted average exercise price
Outstanding, beginning of year	1,651,834	$ 0.19	1,405,000	$ 0.06
Granted	255,000	0.74	301,500	0.74
Exercised	(21,332)	0.15	(19,666)	0.05
Forfeited or cancelled	(20,001)	0.56	(35,000)	0.47
Outstanding, end of year	1,865,501	0.25	1,651,834	0.19
Options exercisable, end of year	1,656,166	$ 0.19	1,060,334	$ 0.12

A summary of the status of the Company's options under the Plan is as follows:

	2019			2018		
Range of exercise price	**Number of options**	**Weighted average remaining contractual life (years)**	**Number of options exercisable**	Number of options	Weighted average remaining contractual life (years)	Number of options exercisable
$0.05	**1,329,001**	**1.9**	**1,329,001**	1,350,334	3.0	960,334
$0.60 – 0.69	**31,500**	**3.8**	**10,499**	51,500	4.8	-
$0.70 – 0.79	**450,000**	**4.2**	**316,666**	250,000	4.8	100,000

During 2019, the Company recorded share-based payments of $155 (2018 - $56).

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

15. Share-based payments (continued):

The fair value of each option granted has been estimated on the date of grant using the Black-Scholes fair value option pricing model with the following weighted average input and assumptions:

	Year Ended **December 31, 2019**	 December 31, 2018
Dividend yield	**0%**	0%
Expected volatility (historical data basis)	**121%**	122%
Risk-free interest rate	**1.39%**	2.29%
Share price	**$ 0.75**	$ 0.74
Forfeiture rate	**50%**	50%
Expected life (years)	**5 years**	5 years
Weighted average grant date fair value	**$ 0.75**	$ 0.61

16. Fair values of financial instruments:

(a) Classification of financial instruments:

The following table provides the allocation of financial assets and liabilities required to be measured at amortized cost or fair value and their carrying values:

December 31, 2019	**Carrying value total**	**Fair value total**
Measurement basis		
Financial assets at amortized cost:		
Cash	**$ 3,691**	**$ 3,691**
Accounts receivable	**2,060**	**2,060**
	$ 5,751	**$ 5,751**
Financial liabilities at amortized cost:		
Accounts payable and accrued liabilities	**$ 1,705**	**$ 1,705**
Loans and borrowings	**1,603**	**1,791**
	3,308	**3,496**
Earn-out at fair value	**256**	**256**
	$ 3,564	**$ 3,752**

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

16. Fair values of financial instruments (continued):

December 31, 2018		Carrying value total		Fair value total
Measurement basis				
Financial assets at amortized cost:				
Cash	$	584	$	584
Accounts receivable		2,167		2,167
	$	2,751	$	2,751
Financial liabilities at amortized cost:				
Accounts payable and accrued liabilities	$	1,851	$	1,851
Loans and borrowings		1,577		1,524
		3,428		3,375
Earn-out at fair value		505		505
	$	3,933	$	3,880

There have been no transfers of assets between levels during the years ended December 31, 2019 and 2018.

17. Capital risk management:

The Company's objectives in managing capital are to ensure sufficient liquidity to pursue its strategy of organic growth combined with strategic acquisitions and to provide returns to its shareholders. The Company defines capital that it manages as the aggregate of its shareholders' equity, which comprises issued capital, contributed surplus, accumulated other comprehensive income and retained earnings (deficit). The Company manages its capital structure and makes adjustments to it in light of general economic conditions, the risk characteristics of the underlying assets and the Company's working capital requirements. In order to maintain or adjust its capital structure, the Company, upon approval from its Board of Directors, may issue shares, repurchase shares, pay dividends or raising capital and borrowings, as deemed appropriate under the specific circumstances. The Company is not subject to externally imposed capital requirements. There has been no changes to the Company’s capital management approach in 2019 from 2018.

18. Financial risk management:

The Company's Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The Audit Committee reviews the Company's risk management policies on an annual basis. The finance department identifies and evaluates financial risks and is charged with the responsibility of establishing controls and procedures to ensure that financial risks are mitigated in accordance with the approved policies.

18. Financial risk management (continued):

(a) Credit risk:

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations and arises from the Company's accounts receivable and cash. The majority of the Company's customers are located in Canada. At December 31, 2019, two customers represented 35% and 22% of the gross accounts receivable balance of $2,102, respectively. At December 31, 2018, one customer represented 34% of the gross accounts receivable balance of $2,199. No other individual customers represented more than 10% of accounts receivable. As at December 31, 2019, the expected credit losses was $42 (2018 - $32). The Company reviews the components of these accounts on a regular basis to evaluate and monitor this risk. The Company’s customers are generally financially established organizations, which limits the credit risk relating to the customers. In addition, credit reviews by the Company take into account the counterparty’s financial position, past experience and other factors. As at December 31, 2019, approximately 68%, $89 (2018 – 86%, $202) of accounts receivable balances over 90 days were not impaired. The consolidated entity has a credit risk exposure with an agency located in Canada, which as at December 31, 2019 owed the consolidated entity $744 (35% of trade receivables) (2018: $757 (34% of trade receivables)).This balance was within its terms of trade and no impairment was made as at December 31, 2019. The Company’s payment terms range from 30 days to 60 days from the invoice date. There are no guarantees against this receivable but management closely monitors the receivable balance on a monthly basis and is in regular contact with this customer to mitigate risk. Management believes that the expected credit loss allowance is adequate. The Company, from time to time, invests its excess cash with the objective of maintaining safety of the principal and providing adequate liquidity to meet current payment obligations and future planned capital expenditures and with the secondary objective of maximizing the overall yield of the portfolio. The Company's cash as at December 31, 2019 is not subject to external restrictions and is held with Schedule I banks in Canada.

(b) Liquidity risk:

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they become due. The Company's approach to managing liquidity is to ensure, to the extent possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation. The Company manages its liquidity risk by continually monitoring forecasted and actual revenue and expenditures and cash flows from operations. Management is also actively involved in the review and approval of planned expenditures. The Company's principal cash requirements are for principal and interest payments on its debt, capital expenditures and working capital needs. The Company uses its operating cash flows, operating facilities and cash balances to maintain liquidity.

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

18. Financial risk management (continued):

(b) Liquidity risk (continued):

The following are the undiscounted contractual maturities for the Company's obligations:

2019	**Carrying amount**	**Contractual cash flow**	**Less than 1 year**	**1-3 years**	**>3 years**
Trade and other payables[(i)]	**$ 1,705**	**$ 1,705**	**$ 1,705**	**$ -**	**$ -**
Leases	**158**	**422**	**186**	**236**	**-**
Loans and borrowings	**1,603**	**2,010**	**-**	**2,010**	**-**
Earn-out	**256**	**281**	**281**	**-**	**-**
	$ 3,722	**$ 4,418**	**$ 2,172**	**$ 2,246**	**$ -**

2018	Carrying amount	Contractual cash flow	Less than 1 year	1-3 years	>3 years
Trade and other payables[(i)]	$ 1,851	$ 1,851	$ 1,851	$ -	$ -
Leases	632	632	184	410	38
Loans and borrowings	1,577	1,763	1,763	-	-
Earn-out	505	600	291	214	
	$ 4,565	$ 4,846	$ 4,089	$ 624	$ 38

[(i)] Trade and other payables exclude other non-contractual liabilities

(c) Market risk:

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and the Company's share price, will affect the Company's income or the value of its financial instruments.

(i) Interest rate risk:

The Company's interest rate risk arises primary from its loans and borrowings obligations, which bear a fixed interest rate of 12%. Management believes that the Company is not significantly exposed to cash flow interest rate risk in the next twelve months.

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

18. Financial risk management (continued):

(c) Market risk (continued):

(ii) Currency risk:

The Company operates internationally with the Canadian dollar as its functional currency and is exposed to foreign exchange risk from purchase transactions, as well as recognized financial assets and liabilities denominated in U.S dollars. The Company's main objective in managing its foreign exchange risk is to maintain U.S. cash on hand to support international forecasted obligations and cash flows. To achieve this objective, the Company monitors forecasted cash flows in foreign currencies and attempts to mitigate the risk by modifying the nature of cash held.

If a shift in foreign currency exchange rates of 10% were to occur, the foreign exchange gain or loss on the Company's net monetary assets could change by approximately $26 (2018 - $28) due to the fluctuation and this would be recorded in the consolidated statements of comprehensive income (loss).

Balances held in non-Canadian dollars are as follows:

	2019	2018
	US	US
Cash	**$** 488	$ 134
Accounts receivable	76	154
Accounts payable and accrued liabilities	304	504

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

19. Related party transactions and balances:

On February 19, 2018, $773 of the 2018 Notes were subscribed for by officers and directors of the Company.

During 2018, 5,782,537 of warrants at exercise price of $0.08 were exercised by officers, directors and a company controlled by a director of the Company for a total proceeds of $463 and 1,693,308 warrants at exercise price of $0.13 were exercised for total proceeds of $220.

On August 19, 2019, $888 of the 2019 Notes were subscribed by officers and directors of the Company. The Company issued 1,332,448 of warrants related to the 2019 Notes.

Transactions with key management personnel:

The key management personnel of the Company are the members of the Company's executive management team and Board of Directors.

The remuneration of key management personnel of the Company during the years ended December 31, 2019 and 2018 was as follows:

		2019		2018
Short-term employee benefits	**$**	**562**	$	525
Share-based payments		**126**		40
	$	**688**	$	565

20. Consolidated statements of cash flows:

The change in non-cash operating working capital comprises the following:

		2019		2018
Accounts receivable	**$**	**107**	$	(101)
Other current assets		**(73)**		(27)
Accounts payable and accrued liabilities		**(127)**		(25)
Deferred revenue		**(324)**		(66)
	$	**(417)**	$	(219)

21. Subsequent events

a. Acquisition

On March 5, 2020, the Company, through its wholly-owned subsidiary EQ Advertising Group Ltd., has completed the acquisition and licensing of certain assets of Curate Mobile Ltd. ("Curate"), including Juice Mobile ("Juice Mobile"). Juice Mobile's platform is targeted to advertisers looking to boost user value or increase brand awareness on mobile. The total consideration was $850 plus HST and additional cash consideration to be paid out over the following 12 months based on certain performance thresholds being met. The valuation and accounting for this transaction has not been finalized.

b. COVID-19

Since December 31, 2019, the outbreak of the novel strain of coronavirus, specifically identified as "COVID-19," has resulted in governments worldwide enacting emergency measures to combat the spread of the virus. These measures, which include the implementation of travel bans, self-imposed quarantine periods and social distancing, have caused material disruption to businesses globally resulting in an economic slowdown. Global equity markets have experienced significant volatility and weakness. Governments and central banks have reacted with significant monetary and fiscal interventions designed to stabilize economic conditions. The extent to which COVID-19 and any other pandemic or public health crisis impacts the Company's business, affairs, operations, financial condition, liquidity, availability of credit and results of operations will depend on future developments that are highly uncertain and cannot be predicted with any meaningful precision, including new information which may emerge concerning the severity of the COVID-19 virus and the actions required to contain the COVID-19 virus or remedy its impact, among others. The duration and impact of the COVID-19 outbreak is unknown at this time, as is the efficacy of the government and central bank interventions. It is not possible to reliably estimate the length and severity of these developments and the impact on the financial results and condition of the Company and its operating subsidiaries in future periods.