

Financial Statements of

Canso Select Opportunities Corporation

September 30, 2022

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Management’s Responsibility for Financial Reporting

The accompanying unaudited interim Financial Statements have been prepared by Management. Management is responsible for the information and representations contained in these interim Financial Statements. Management has maintained appropriate processes to ensure that relevant and reliable financial information is produced. The unaudited interim Financial Statements have been prepared in accordance with International Financial Reporting Standards and include certain amounts based on estimates and assumptions. The significant accounting policies that management believes are appropriate for Canso Select Opportunities Corporation (“CSOC”) are described in Note 2 to the unaudited interim Financial Statements.

The Board of Directors is responsible for reviewing and approving CSOC’s unaudited interim Financial Statements, overseeing management’s performance of its financial reporting responsibilities and engaging the independent auditors. For all share classes of CSOC, the unaudited interim Financial Statements have been reviewed and approved by the Board of Directors.

Approved by the Board of Directors

(signed) “Heather Mason-Wood”

Heather Mason-Wood
Director

(signed) “Shirley Sumsion”

Shirley Sumsion
Director

NOTICE TO SHAREHOLDERS

CSOC’s Board of Directors, appoints independent auditors to audit CSOC’s annual Financial Statements. Under Canadian securities laws (National Instrument 51-102), if an auditor has not reviewed the interim Financial Statements, this must be disclosed in an accompanying notice. CSOC’s independent auditor has not performed a review of these interim Financial Statements in accordance with the standards established by the Chartered Professional Accountants of Canada.

Canso Select Opportunities Corporation
Interim Statements of Financial Position
As at September 30, 2022 and December 31, 2021
(Unaudited)

	September 30, 2022	December 31, 2021 (Audited)
	\$	\$
Assets		
Current Assets		
Investment in Canso Select Opportunities Fund, FVTPL (Note 6)	9,519,281	10,390,908
Investments through FVTPL (Note 6)	3,537,263	3,646,548
Accrued interest	14,922	62,694
Cash and cash equivalents	89,213	70,487
Dividend receivable	327	152
Prepaid expenses	24,274	13,267
Total Current Assets	13,185,280	14,184,056
Non-current Asset		
Deferred tax assets	423,934	269,010
Total Assets	13,609,214	14,453,066
Liabilities		
Current Liabilities		
Accounts payable and accrued liabilities	43,827	42,520
Total Liabilities	43,827	42,520
Shareholders' Equity		
Share capital (Note 4)	11,109,050	11,109,050
Contributed surplus	4,324,550	4,324,550
Deficiency	(1,868,213)	(1,023,054)
Total Shareholders' Equity	13,565,387	14,410,546
Total Liabilities and Shareholders' Equity	13,609,214	14,453,066
Shareholders' Equity		
Class A Multiple Voting Shares	\$7,880,321	\$8,410,532
Class B Subordinate Voting Shares	\$5,685,066	\$6,000,014
Number of Shares Outstanding		
Class A Multiple Voting Shares	1,611,460	1,621,460
Class B Subordinate Voting Shares	1,166,738	1,156,738
Total Shareholders' Equity per Share		
Class A Multiple Voting Shares	\$4.88	\$5.19
Class B Subordinate Voting Shares	\$4.88	\$5.19

Approved by the Board of Directors

(signed) "Heather Mason-Wood"

Heather Mason-Wood
Director

(signed) "Shirley Sumsion"

Shirley Sumsion
Director

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

Canso Select Opportunities Corporation
Interim Statements of Comprehensive (Loss) Income
Three months and nine months ended September 30, 2022 and 2021
(Unaudited)

	Three months ended September 30,		Nine months ended September 30,	
	2022	2021	2022	2021
	\$	\$	\$	\$
Revenue				
Dividend income	1,052	423	1,965	1,270
Interest income	(6,277)	21,722	38,984	50,662
Realized gain (loss) on investments (Note 6)	49,943	(87,668)	245,718	216,237
Change in unrealized foreign exchange gain	14,344	9,815	73,274	41,560
Change in unrealized (loss) gain on investments (Note 6)	(269,758)	(344,134)	(1,152,627)	2,317,175
Total Revenue	(210,696)	(399,842)	(792,686)	2,626,904
Expenses				
Directors fees	31,630	31,559	94,891	94,676
Administration	13,629	6,691	31,758	25,407
Bank charges	76	83	420	440
Insurance	5,484	4,847	15,660	13,951
Professional fees	11,703	4,491	64,668	36,560
Total Expenses	62,522	47,671	207,397	171,034
Net (loss) income before income taxes	(273,218)	(447,513)	(1,000,083)	2,455,870
Income tax (recovery) expense				
Deferred	(45,456)	(60,255)	(154,924)	298,629
Total Income tax (recovery) expense	(45,456)	(60,255)	(154,924)	298,629
Net (loss) income and comprehensive (loss) income for the period	(227,762)	(387,258)	(845,159)	2,157,241
Net (loss) income, by class				
Class A Multiple Voting Shares	(\$132,111)	(\$224,624)	(\$490,224)	\$1,259,046
Class B Subordinate Voting Shares	(\$95,651)	(\$162,634)	(\$354,935)	\$898,195
Net (loss) income, per share				
Class A Multiple Voting Shares	(\$0.08)	(\$0.14)	(\$0.30)	\$0.78
Class B Subordinate Voting Shares	(\$0.08)	(\$0.14)	(\$0.30)	\$0.78

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

Canso Select Opportunities Corporation
Interim Statements of Changes in Equity
Nine months ended September 30, 2022 and 2021
(Unaudited)

	2022			
	\$	\$	\$	\$
	Share capital	Contributed surplus	Deficit	Total
<u>Class A Multiple Voting Shares</u>				
Opening balance, January 1, 2022	6,483,656	2,523,969	(597,093)	8,410,532
Conversion from Class A Multiple Voting Shares to Class B Subordinate Voting Shares	(39,987)	-	-	(39,987)
Net loss for the period	-	-	(490,224)	(490,224)
Balance at September 30, 2022	6,443,669	2,523,969	(1,087,317)	7,880,321
<u>Class B Subordinate Voting Shares</u>				
Opening balance, January 1, 2022	4,625,394	1,800,581	(425,961)	6,000,014
Conversion from Class A Multiple Voting Shares to Class B Subordinate Voting Shares	39,987	-	-	39,987
Net loss for the period	-	-	(354,935)	(354,935)
Balance at September 30, 2022	4,665,381	1,800,581	(780,896)	5,685,066
Total	11,109,050	4,324,550	(1,868,213)	13,565,387
	2021			
	\$	\$	\$	\$
	Share capital	Contributed surplus	Deficit	Total
<u>Class A Multiple Voting Shares</u>				
Opening balance, January 1, 2021	6,483,656	2,523,969	(1,984,381)	7,023,244
Net Income for the period	-	-	1,259,046	1,259,046
Balance at September 30, 2021	6,483,656	2,523,969	(725,335)	8,282,290
<u>Class B Subordinate Voting Shares</u>				
Opening balance, January 1, 2021	4,625,394	1,800,581	(1,415,643)	5,010,332
Net Income for the period	-	-	898,195	898,195
Balance at September 30, 2021	4,625,394	1,800,581	(517,448)	5,908,527
Total	11,109,050	4,324,550	(1,242,783)	14,190,817

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

Canso Select Opportunities Corporation
Interim Statements of Cash Flows
Nine months ended September 30, 2022 and 2021
(Unaudited)

	2022	2021
	\$	\$
Operating Activities		
Net (loss) income	(845,159)	2,157,241
Adjustments for:		
Interest income re-invested	(72,356)	-
Realized gain on investment	(245,718)	(216,237)
Change in unrealized foreign exchange gain on investments	(73,274)	(41,560)
Change in unrealized depreciation (appreciation) on investments	1,152,627	(2,317,175)
Purchase of investments	(250,000)	(1,340,458)
Proceeds from sale of investments	469,632	1,390,000
Accrued interest	47,772	(33,779)
Dividend income receivable	(175)	-
Prepaid expenses	(11,007)	(9,658)
Deferred tax assets	(154,924)	298,629
Accounts payable and accrued liabilities	1,307	(11,725)
Net Cash Generated (Used In) by Operating Activities	18,726	(124,722)
Cash and cash equivalents — Beginning of period	70,487	180,992
Cash and cash equivalents — End of period	89,213	56,270

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

Canso Select Opportunities Corporation
Notes to Interim Financial Statements
Nine months ended September 30, 2022
(Unaudited)

1. General Information

Canso Select Opportunities Corporation ("CSOC" or "Company") was incorporated by articles of incorporation under the Ontario Business Corporations Act on February 16, 2018. Effective September 4, 2018, the Class A Multiple Voting Shares and Class B Subordinate Voting Shares of CSOC were eligible to commence trading on the TSX Venture Exchange under the symbols CSOC.A representing the Class A Multiple Voting Shares and CSOC.B representing the Class B Subordinate Voting Shares. Canso Select Opportunities Fund ("CSOF") is a wholly-owned investment held by CSOC. CSOC indirectly holds all of the investments of CSOF through its ownership of CSOF.

CSOC is an Ontario-based investment corporation. The Company's registered head office is 100 York Blvd., Suite 550, Richmond Hill, Ontario, L4B 1J8. CSOC's investment objective is to provide capital gains and dividend income to its shareholders. Consistent with this objective, the Company evaluates potential investments in debt, public and private equity and other securities. The deployment of funds to new investments depends on both the attractiveness of new investment opportunities and the availability of capital as generated from the realization of value from existing portfolio investments.

2. Basis of Presentation and Significant Accounting Policies

These unaudited interim financial statements of CSOC have been prepared in compliance with International Accounting Standard 34, *Interim Financial Reporting*, using accounting policies consistent with International Financial Reporting Standards ("IFRS"). Accordingly, certain information and footnote disclosures normally included in annual financial statements prepared in accordance with IFRS have been omitted or condensed.

The accounting policies applied by CSOC in these interim financial statements are the same as those applied by CSOC in its annual audited financial statements for the year ended December 31, 2021, which were prepared in accordance with IFRS. Since its inception, CSOC has applied IFRS 9, Financial Instruments, which deals with the recognition, derecognition, classification and measurement of financial instruments. CSOC has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

3. Critical Accounting Estimates and Judgements

The preparation of financial statements requires management to use judgement in applying its accounting policies and to make estimates and assumptions about the future. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to estimates are recognized in the period in which the estimates are revised and in any future period affected.

There have been no changes in the critical accounting estimates and judgments which were set out in detail in note 3 of CSOC's annual audited financial statements for the year ended December 31, 2021.

4. Share Capital

The Company is authorized to issue an unlimited number of shares of a class designated as Class A Multiple Voting Shares, an unlimited number of shares of a class designated as Class B Subordinate Voting Shares, and an unlimited number of shares of a class designated as Preference Shares. Share capital of the Company as stated in the financial statements is the same as the legal stated capital.

At September 30, 2022 share capital consists of the following

	Number of shares #	Amount \$
1,611,460 Class A Multiple Voting Shares		6,443,669
1,166,738 Class B Subordinate Voting Shares		4,665,381
		<u>11,109,050</u>
Class A Multiple Voting Shares:		
Class A multiple voting shares outstanding, January 1, 2022	1,621,460	6,483,656
Class A multiple voting shares issued	-	-
Conversion from Class A Multiple Voting Shares to Class B Subordinate Voting Shares	(10,000)	(39,987)
Class A multiple voting shares outstanding, September 30, 2022	1,611,460	6,443,669
Class B Subordinate Voting Shares:		
Class B subordinate voting shares outstanding, January 1, 2022	1,156,738	4,625,394
Class B subordinate voting shares issued	-	-
Conversion from Class A Multiple Voting Shares to Class B Subordinate Voting Shares	10,000	39,987
Class B subordinate voting shares outstanding, September 30, 2022	1,166,738	4,665,381
	<u>2,778,198</u>	<u>11,109,050</u>

Canso Select Opportunities Corporation
Notes to Interim Financial Statements
Nine months ended September 30, 2022
(Unaudited)

4. Share Capital (Cont'd)

At September 30, 2021 share capital consisted of the following:

	Number of shares #	Amount \$
1,621,460 Class A Multiple Voting Shares		6,483,656
1,156,738 Class B Subordinate Voting Shares		4,625,394
		<u>11,109,050</u>
Class A Multiple Voting Shares:		
Class A multiple voting shares outstanding, January 1, 2021	1,621,460	6,483,656
Class A multiple voting shares issued	-	-
Class A multiple voting shares outstanding, September 30, 2021	<u>1,621,460</u>	<u>6,483,656</u>
Class B Subordinate Voting Shares:		
Class B subordinate voting shares outstanding, January 1, 2021	1,156,738	4,625,394
Class B subordinate voting shares issued	-	-
Class B subordinate voting shares outstanding, September 30, 2021	<u>1,156,738</u>	<u>4,625,394</u>
	<u>2,778,198</u>	<u>11,109,050</u>

5. Related Party Transactions

On August 1, 2018 CSOC entered into an operational services agreement with Canso Investment Counsel Ltd. ("Canso"). The operational services agreement sets out that Canso will provide the day-to-day operational services to carry out the business affairs of CSOC. Under the terms of the agreement, no fees are payable for services provided by Canso to CSOC for the first 24-month period and this term may be extended for additional 12-month periods as agreed to between the parties. On August 1, 2022, the parties agreed to extend the no fee arrangement for another 12-month term ending on July 31, 2023. There were no management fees charged for the nine months ended September 30, 2022 (September 30, 2021: \$0).

6. Investments

In determining whether CSOC has control or significant influence over an investment, CSOC assesses voting rights, the exposure to variable returns, and its ability to use the voting rights to affect the amount of the returns. CSOC qualifies as an investment Company under IFRS 10, and therefore accounts for investments it controls at fair value through profit and loss. CSOC's primary purpose is defined by its investment objectives and uses the investment strategies available to it as defined in the Circular to meet those objectives. CSOC also measures and evaluates the performance of any investment on a fair value basis. As described in note 1, CSOF is a wholly owned investment of CSOC.

During the period ended September 30, 2022, CSOC reported a net (loss) income of \$(845,159) (September 30, 2021: \$2,157,241) or \$(0.30) (September 30, 2021: \$0.78) per CSOC Class A and B shares. This is the result of \$(1,152,627) (September 30, 2021: \$2,317,175) unrealized mark to market loss primarily on CSOC's and CSOF's equity holding of Aegis Brands Inc., Bird Construction Inc., Yellow Pages Ltd., MDA Ltd., and Hertz Global Holdings Inc.

Canso Select Opportunities Corporation
Notes to Interim Financial Statements
Nine months ended September 30, 2022
(Unaudited)

6. Investments (Cont'd)

As at September 30, 2022, CSOC's investment portfolio consists of equity and debt securities in 10 different issuers.

Description	Average Cost \$	Fair Value \$	% of Portfolio
Equities Held Long	2,198,646	2,520,907	71.27%
Bombardier Inc	41,975	47,898	1.35%
Brill Power Limited	105,559	263,055	7.43%
Cenovus Energy Inc Warrant	38,272	154,760	4.38%
Fibracast	800,000	840,000	23.75%
HashTag Paid Inc.	132,837	387,631	10.96%
Nordstar Capital LP	5	57,667	1.63%
MDA Ltd.	879,998	455,713	12.88%
Our Home and Miniature Land Warrant	-	-	0.00%
Reformulary Group Inc.	200,000	250,000	7.07%
Smooth Payment Inc. May 12, 2031 Warrant	-	39,466	1.12%
Smooth Payment Inc. July 5, 2031 Warrant	-	24,717	0.70%
Fixed Income	1,016,356	1,016,356	28.73%
Nordstar Capital LP	144,000	144,000	4.07%
Our Home and Miniature Land	440,000	440,000	12.44%
Smooth Payment Inc.	432,356	432,356	12.22%
CSOC's Investments at Fair Value through Profit or Loss	3,215,002	3,537,263	100.00%

As at September 30, 2022, CSOF's investment portfolio consists of equity and debt securities in 17 different issuers. The portfolio also includes cash and cash equivalents.

Description	Average Cost \$	Fair Value \$	% of Portfolio
Cash & Cash Equivalents	96,000	95,998	1.01%
Equities Held Long	11,597,735	6,491,409	68.17%
Aegis Brands Inc.	3,400,936	557,358	5.86%
Bird Construction Inc.	1,011,165	890,735	9.36%
Bombardier Inc.	337,302	431,620	4.53%
BZ Holdings Inc.	-	2	0.00%
Canadian Life Companies Split	78,572	81,480	0.86%
ClearStream Energy Services - Preferred	729,400	486,002	5.10%
ClearStream Energy SVCS Inc.	2,012,939	184,535	1.94%
Hertz Global Holdings Inc	424,452	539,111	5.66%
MSplit Corp	838,474	593,639	6.23%
Sun Life Financial Corp	483,261	383,043	4.02%
Xplornet Mobile Inc.	51,792	-	0.00%
Xplornet Wireless Inc.	133,723	133,723	1.40%
Yellow Pages Limited	2,095,719	2,210,161	23.21%
Fixed Income	2,926,609	2,933,829	30.82%
Air Canada	139,118	114,900	1.21%
AMC Entertainment	237,219	198,933	2.09%
Government of Canada	1,754,189	1,756,694	18.45%
US Treasury Note	796,083	863,302	9.07%
Total	14,620,344	9,521,236	100.00%
Other Assets, Net of Liabilities		(1,955)	
CSOC's investment in CSOF at Fair Value Through Profit or Loss		9,519,281	

Canso Select Opportunities Corporation
Notes to Interim Financial Statements
Nine months ended September 30, 2022
(Unaudited)

7. Fair Value Hierarchy

CSOC classifies financial instruments carried at fair value using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The hierarchy has the following levels:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the Company can access at the measurement date;
- Level 2 inputs are inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

If an instrument classified as Level 1 subsequently ceases to be actively traded, it is transferred out of Level 1. In such cases, instruments are reclassified as Level 2, unless the measurement of its fair value requires the use of significant unobservable inputs, in which case it is reclassified as Level 3. Management assesses transfers at the time of an event that may cause reason for re-assessment of levelling. The classification within the hierarchy is based on the lowest level input that is significant to the fair value measurement. For this purpose, the significance of an input is assessed against the fair value measurement in its entirety. If a fair value measurement uses observable inputs that require significant adjustment based on unobservable inputs, that measurement is a level 3 measurement. Assessing the significance of a particular input to the fair value measurement in its entirety requires judgment, considering factors specific to the asset or liability. The determination of what constitutes observable data requires significant judgment by the investment committee. CSOC considers observable data to be that market data that is readily available, regularly distributed or updated, reliable and verifiable, not proprietary, and provided by independent sources that are actively involved in the relevant market.

The following fair value hierarchy table presents information about CSOC's and CSOF's assets and liabilities measured at fair value, as described in Note 2, as at September 30, 2022 and December 31, 2021 (audited). During the period ended September 30, 2022, there were no transfers between levels (December 31, 2021: nil).

As at September 30, 2022	Level 1	Level 2	Level 3	Total
Financial Assets				
Fixed Income held in CSOF	\$ 2,619,996	\$ 313,833	\$ -	\$ 2,933,829
Equities held in CSOF	5,871,684	-	619,725	6,491,409
Fixed Income held in CSOC	-	-	1,016,356	1,016,356
Equities held in CSOC	658,371	-	1,862,536	2,520,907
Total	\$ 9,150,051	\$ 313,833	\$ 3,498,617	\$ 12,962,501

As at September 30, 2022	Level 1	Level 2	Level 3	Total
Financial Liabilities				
Fixed income held in CSOF	\$ -	\$ -	\$ -	\$ -
Total	\$ -	\$ -	\$ -	\$ -

As at December 31, 2021	Level 1	Level 2	Level 3	Total
Financial Assets				
Fixed Income held in CSOF	\$ -	\$ -	\$ -	\$ -
Equities held in CSOF	9,441,885	-	640,624	10,082,509
Fixed Income held in CSOC	-	-	944,000	944,000
Equities held in CSOC	910,245	-	1,792,303	2,702,548
Total	\$ 10,352,130	\$ -	\$ 3,376,927	\$ 13,729,057

As at December 31, 2021	Level 1	Level 2	Level 3	Total
Financial Liabilities				
Fixed income held in CSOF	\$ -	\$ -	\$ -	\$ -
Total	\$ -	\$ -	\$ -	\$ -

Canso Select Opportunities Corporation
Notes to Interim Financial Statements
Nine months ended September 30, 2022
(Unaudited)

7. Fair Value Hierarchy (Cont'd)

	September 30, 2022	December 31, 2021
Level 3 Reconciliation		
Balance, beginning of period/year	\$ 3,376,927	\$ 2,247,455
Purchases - held in CSOC	72,356	1,600,000
Sales - CSOC	-	(800,000)
Sales - CSOF	-	(60,214)
Realized losses, net - CSOF	-	(493,483)
Change in unrealized appreciation - CSOF	(20,899)	454,761
Change in unrealized appreciation - held in CSOC	70,233	428,408
Balance, end of period/year	\$ 3,498,617	\$ 3,376,927

The fair value of each Level 3 financial instrument is generally measured using unobservable market inputs with the best information available at the time. Various valuation techniques are utilized, depending on a number of factors including key inputs and assumptions, which are company specific and may include estimated discount rates and expected price volatilities.

The following section provides information regarding select Level 3 securities over 5% of the portfolio. It includes a summary of the valuation techniques used and the sensitivity of the fair value of these securities to changes in input values.

Brill Power Limited Class A

Price: £5.74

Valuation technique: The private placement financing technique

Unobservable inputs: CSOC values Brill using the private placement financing technique, whereby pertinent details of a private market offering, including the terms of such offering, the issue price, and total capital raised are considered when assessing the reasonability that the issue price of such offering approximates fair value. On June 28, 2022, Brill completed a 100:1 stock split and also raised approximately £8.6 million via a sale of Series A1 and A2 shares at a price of £7.15 per share. Because the new A1 and A2 shares have a 1.25x liquidation preference, it was deemed that the Class A shares we hold should be marked at an appropriate discount of approximately 20%.

Change in input values: A reasonably possible change to the value of the next private placement financing could result in an increase or decrease of 30%, or an increase or decrease in the security price of £1.72.

ClearStream Energy Services Inc. Series 1 Preferred Share

Price: \$666.67

Valuation Technique: Relative Value

Unobservable Inputs: The primary unobservable input is the Clearstream Senior Secured Bond Price which comes from a third party.

Change in input values: A reasonably possible change to the value of the next private placement financing could result in an increase or decrease of 30%, or an increase or decrease in the security price of \$200.

Fibracast

Price: \$1.00

Valuation Technique: The private placement financing technique

Unobservable Inputs: The primary unobservable input for this security is the last price where the company raised capital in a private offering of additional securities.

Change in input values: A reasonably possible change to the value of the next private placement financing could result in an increase or decrease of 30%, or an increase or decrease in the security price of \$0.30.

HashTag Paid Inc. Series A-5 Pref Share

Price: \$0.61

Valuation Technique: The private placement financing technique

Unobservable Inputs: The primary unobservable input for this security is the last price where the company raised capital in a private offering of additional securities.

Change in input values: A reasonably possible change to the value of the next private placement financing could result in an increase or decrease of 30%, or an increase or decrease in the security price of \$0.18.

Canso Select Opportunities Corporation
Notes to Interim Financial Statements
Nine months ended September 30, 2022
(Unaudited)

7. Fair Value Hierarchy (Cont'd)

Our Home and Miniature Land 10% Jan 27, 2026

Price: \$100.00

Valuation Technique: The private placement financing technique

Unobservable Inputs: The primary unobservable input for this security is the last price where the company raised capital in a private offering of additional securities.

Change in input values: A reasonably possible change to the value of the next private placement financing could result in an increase or decrease of 30% or an increase or decrease in the security price of \$30.

Reformulary Group Inc.

Price: \$1.25

Valuation technique: The private placement financing technique

Unobservable inputs: The primary unobservable input for this security is the last price where the company raised capital in a private offering of additional securities.

Change in input values: A reasonably possible change to the value of the next private placement financing could result in an increase or decrease of 30%, or an increase or decrease in the security price of \$0.375.

Smooth Payment Inc. 8.0% Nov 30, 2024

Price: \$100.00

Valuation Technique: The private placement financing technique

Unobservable Inputs: The primary unobservable input for this security is the last price where the company raised capital in a private offering of additional securities.

Change in input values: A reasonably possible change to the value of the next private placement financing could result in an increase of 30% or a decrease of 10%. The lower limit in value is due to the conversion price protection that is the lower of: \$0.75 or 95% of the price per share paid by investors in connection with a qualified financing. This would result in an increase of the security price of \$30 or a decrease in price of \$10.

8. Contingency

On August 18, 2021, the Company was notified of a potential lawsuit on a complaint related to the sale of BZ Holdings Inc., whereby the Company is named as a preferred shareholder. The Company has not been served by the plaintiffs with any official documentation regarding the anticipated lawsuit by mail or any other approved means. The case does appear on the California court's electronic docket so there is an accessible public record indicating that the lawsuit has been filed. Upon motions by the other defendants, on February 22, 2022, the court stayed the lawsuit on jurisdictional grounds. At this stage, management does not believe that the impact, if any, on the Company's financial statements can reasonably be estimated at this time.

9. Subsequent Event

On October 17, 2022, CSOC announced that it has agreed to purchase 70,000 Class A common shares of Lysander Funds Limited from Canso Fund Management Ltd. ("CFM") by issuing to CFM 2,440,239 Class B subordinate voting shares of CSOC pursuant to a share purchase agreement dated October 17, 2022 (the "**Transaction**"). The consideration has an approximate value of \$12.25 million. Following the Transaction, it is expected that CFM will hold approximately 68% of CSOC's outstanding Class B subordinate voting shares, which represents a voting position of 4.7%.

10. Approval of financial statements

The financial statements were approved by the Board of Directors and authorized for issue on November 23, 2022.