

**SPACKMAN EQUITIES GROUP INC.**

**UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS  
(PREPARED BY MANAGEMENT)  
FOR THE THREE MONTH PERIODS ENDED MARCH 31, 2024 AND 2023  
(In Canadian Dollars)**

## MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

The accompanying unaudited interim condensed consolidated financial statements of Spackman Equities Group Inc. were prepared by management in accordance with International Financial Reporting Standards issued by the International Accounting Standards Board. The most significant of these accounting principles have been disclosed in the notes to the unaudited interim condensed consolidated financial statements. Management acknowledges responsibility for the preparation and presentation of the unaudited interim condensed consolidated financial statements, including responsibility for significant accounting judgments and estimates and the choice of accounting principles and methods that are appropriate to the Company's circumstances.

Management has established processes, which are in place to provide them sufficient knowledge to support management representations that they have exercised reasonable diligence that (i) the unaudited interim condensed consolidated financial statements do not contain any untrue statement of material fact or omit to state a material fact required to be stated or that is necessary to make a statement not misleading in light of the circumstances under which it is made, as of the date of and for the periods presented by the unaudited interim condensed consolidated financial statements and (ii) the unaudited interim condensed consolidated financial statements fairly present in all material respects the financial condition, results of operations and cash flows of the Company, as of the date of and for the periods presented by the unaudited interim condensed consolidated financial statements.

The Board of Directors is responsible for reviewing and approving the consolidated financial statements together with other financial information of the Company and for ensuring that management fulfills its financial reporting responsibilities. An Audit Committee assists the Board of Directors in fulfilling this responsibility. The Audit Committee meets with management to review the financial reporting process and the unaudited interim condensed consolidated financial statements together with other financial information of the Company. The Audit Committee reports its findings to the Board of Directors for its consideration in approving the unaudited interim condensed consolidated financial statements together with other financial information of the Company for issuance to the shareholders. These unaudited interim condensed consolidated financial statements were authorized for issuance by the Board on May 27, 2024.

Management recognizes its responsibility for conducting the Company's affairs in compliance with established financial standards, and applicable laws and regulations, and for maintaining proper standards of conduct for its activities.

### **Notice of no auditor review of interim financial statements:**

Under National Instrument 51-102, Part 4, subsection 4.3(3) (a), if an auditor has not performed a review of the interim financial statements they must be accompanied by a notice indicating that the financial statements have not been reviewed by an auditor.

The accompanying interim unaudited condensed financial statements of the Company have been prepared by, and are the responsibility of, the Company's management.

The Company's independent auditor has not performed a review of these interim financial statements in accordance with standards established by the Institute of Chartered Public Accountants for a review of interim financial statements by an entity's auditor.

"Richard Lee"  
Chief Executive Officer

"Alex Falconer"  
Chief Financial Officer

May 27, 2024

**SPACKMAN EQUITIES GROUP INC.****UNAUDITED INTERIM CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION**

(Expressed in Canadian Dollars)

**AS AT**

	Notes	March 31, 2024 (Unaudited)	December 31, 2023 (Audited)
<b>ASSETS</b>			
Cash	3	\$ 40,444	\$ 7,936
Investment in shares of public company	4	288,133	429,740
Investment in shares of private company	5	88,232	89,638
<b>Total assets</b>		<b>\$ 416,809</b>	<b>\$ 527,314</b>
<b>LIABILITIES</b>			
<b>Current</b>			
Accounts payable and accrued liabilities	6,11	\$ 485,725	\$ 424,425
Due to related party	10	17,482	17,482
Loans payable	7	1,385,689	1,299,514
		1,888,896	1,741,421
<b>Long term</b>			
Loans payable	7	70,673	-
<b>Total liabilities</b>		<b>1,959,569</b>	<b>1,741,421</b>
<b>SHAREHOLDERS' EQUITY</b>			
Share capital	8	11,601,165	11,601,165
Contributed surplus	9	1,558,667	1,558,667
Accumulated deficiency		(14,702,592)	(14,373,939)
<b>Total shareholders' deficiency</b>		<b>(1,542,760)</b>	<b>(1,214,107)</b>
<b>Total shareholders' equity and liabilities</b>		<b>\$ 416,809</b>	<b>\$ 527,314</b>

Nature of operations and Going concern (Note 1)

Subsequent event (Note 12)

Approved on Behalf of the Board

*'Richard Lee'* \_\_\_\_\_ Director*'Kyoungwon Na'* \_\_\_\_\_ Director

The accompanying notes to the unaudited interim condensed consolidated financial statements are an integral part of these statements.

**SPACKMAN EQUITIES GROUP INC.****UNAUDITED INTERIM CONDENSED CONSOLIDATED STATEMENTS OF LOSS AND COMPREHENSIVE LOSS**

(Expressed in Canadian Dollars)

	<u>Notes</u>	Three Months March 31,	
		2024	2023
<b>Investment loss</b>			
Unrealized loss on fair value of investment in shares of public company		\$ (142,626)	\$ -
<b>Total loss from investments</b>		<b>(142,626)</b>	<b>-</b>
<b>Expenses</b>			
General and administrative	10	170,995	38,338
Interest and penalties	7	12,628	10,452
Loss on foreign currency		23,384	1,963
Accretion expense		26,107	-
Fair value adjustment on loans payable		(47,087)	-
<b>Total expenses</b>		<b>186,027</b>	<b>50,753</b>
<b>Loss before income tax</b>		<b>(328,653)</b>	<b>(50,753)</b>
<b>Net loss and comprehensive loss for the period</b>		<b>\$ (328,653)</b>	<b>\$ (50,753)</b>
<b>Net loss per share</b>			
Basic and fully diluted loss per share		\$ (0.02)	\$ 0.00
<b>Weighted average number of shares outstanding basic and fully diluted</b>		<b>14,889,972</b>	<b>14,889,972</b>

The accompanying notes to the unaudited interim condensed consolidated financial statements are an integral part of these statements.

**SPACKMAN EQUITIES GROUP INC.****UNAUDITED INTERIM CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' DEFICIENCY**

(Expressed in Canadian Dollars)

	Share capital		Contributed surplus	Accumulated deficit	Total
	Common shares	Amount			
Balance, January 1, 2022	14,889,972	\$11,601,165	\$ 1,558,667	\$ (13,878,055)	\$ (718,223)
Net loss and comprehensive loss for the period	-	-	-	(50,753)	(50,753)
Balance, March 31, 2023	14,889,972	\$11,601,165	\$ 1,558,667	\$ (13,928,808)	\$ (768,976)
Balance, January 1, 2023	14,889,972	\$11,601,165	\$ 1,558,667	\$ (14,373,939)	\$ (1,214,107)
Net loss and comprehensive loss for the period	-	-	-	(328,653)	(328,653)
Balance, March 31, 2024	14,889,972	\$11,601,165	\$ 1,558,667	\$ (14,702,592)	\$ (1,542,760)

The accompanying notes to the unaudited interim condensed consolidated financial statements are an integral part of these statements.

**SPACKMAN EQUITIES GROUP INC.****UNAUDITED INTERIM CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS**

(Expressed in Canadian Dollars)

	<u>Notes</u>	2024	Three Months March 31, 2023
<b>OPERATING ACTIVITIES</b>			
Net loss for the period		\$ (328,653)	\$ (50,753)
Adjustments not affecting cash:			
Unrealized loss on fair value of investment in shares of public company	4	142,626	-
Fair value adjustment of loans payable		(47,087)	-
Accretion expense		26,107	-
Foreign exchange loss		22,146	851
		(184,861)	(49,902)
Changes in non-cash working capital			
Accounts payable and accrued liabilities		61,300	(31,310)
<b>Cash used in operating activities</b>		<b>(123,561)</b>	<b>(81,212)</b>
<b>FINANCING ACTIVITIES</b>			
Proceeds from loan payable	7	161,652	128,749
Repayment of loan payable	7	(5,583)	
<b>Cash provided by financing activities</b>		<b>156,069</b>	<b>128,749</b>
<b>Net increase in cash</b>		<b>32,508</b>	<b>47,537</b>
Cash, beginning of period		7,936	7,470
<b>Cash, end of period</b>		<b>\$ 40,444</b>	<b>\$ 55,007</b>

The accompanying notes to the unaudited interim condensed consolidated financial statements are an integral part of these statements.

# SPACKMAN EQUITIES GROUP INC.

## NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

(Expressed in Canadian Dollars)

FOR THE THREE MONTH PERIODS ENDED MARCH 31, 2024 AND 2023

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### 1. NATURE OF OPERATIONS AND GOING CONCERN

Spackman Equities Group Inc. (the "Company" or "SEGI") was incorporated on May 18, 2006 under the Canada Business Corporations Act and its shares are publicly traded on the TSX Venture Exchange ("TSXV") under the symbol SQG.

SEGI carries on the business of identifying and investing into or acquiring small/medium sized growth companies. The Company focuses on investing into or acquiring growth companies in Asia, principally in the Republic of Korea ("Korea") at attractive valuations, building a diversified portfolio of such growth companies and, ultimately, delivering the collective value derived from the performance of these businesses to the shareholders.

These unaudited interim condensed consolidated financial statements have been prepared on a going concern basis, which contemplates that the Company will be able to realize its assets and discharge its liabilities in the normal course of business. The Company has not yet realized profitable operations and has incurred significant losses to date resulting in a cumulative deficit of \$14,504,553 as at March 31, 2024 (December 31, 2023 - \$14,373,939). Management believes that it has the ability to raise the required additional funding to operate the business. While management has been historically successful in raising the necessary capital, it cannot provide assurance that it will be able to execute on its business strategy or be successful in future financing activities. These events represent material uncertainties which may cast significant doubt on the Company's ability to continue as a going concern. As at March 31, 2024, the Company had assets of \$416,809 (December 31, 2023 - \$527,314) to cover liabilities of \$1,888,896 (December 31, 2023 - \$1,741,421).

The Company and Crystal Planet Limited ("CPL") entered into a definitive share exchange agreement on February 6, 2023 (the "Agreement") pursuant to which the Company will acquire all of the issued and outstanding shares in the capital of CPL from Spackman Media Group Limited (the "Vendor"). The Transaction involves share-based consideration only. Prior to completion of the Transaction, the Company will complete a share consolidation on the basis of five (5) pre-consolidation common shares for every one (1) post-consolidation common share (the "Consolidation").

On August 4, 2023, the Company and CPL have agreed to amend the share exchange agreement, including identifying the Directors and officers of the Company after the transaction, the foreign exchange ratio for the formula which determines the Vendors receipt of common shares of the Company, and the calculation of the Concurrent Financing, which is (i) a brokered private placement financing (the "SQG Concurrent Financing") by Hampton Securities Limited (the "Agent"), of subscription receipts of the Company (the "Subscription Receipts") at a post-Consolidation price of CAD\$0.20 (US\$0.15) per Subscription Receipt; and (ii) a non-brokered private placement of ordinary shares of the Target at a price of US\$2.72 per ordinary share (the "CPL Concurrent Financing"), for aggregate gross proceeds from the sale of the Subscription Receipts and the ordinary shares of the Target of a minimum of US\$3,400,000 and a maximum of US\$20,000,000 (collectively, the "Concurrent Financing").

### 2. BASIS OF PRESENTATION

#### Investment Entity Status

The Company does not qualify as an investment entity as the concentration of its investments is not sufficiently diversified. The Company considers itself to be a venture capital organization. It is determined that the company's main investee company, Spackman Entertainment Group Limited (SEGL), is considered an investment, as the Company is considered not to have significant influence over it. This investment is accounted for as a financial instrument under IFRS 9 at fair value through profit and loss.

# SPACKMAN EQUITIES GROUP INC.

## NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

(Expressed in Canadian Dollars)

FOR THE THREE MONTH PERIODS ENDED MARCH 31, 2024 AND 2023

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### 2. BASIS OF PRESENTATION (Cont'd)

#### Statement of compliance

The unaudited interim condensed consolidated financial statements have been prepared in accordance with International Accounting Standard 34, "Interim Financial Reporting" ("IAS 34"), as issued by the International Accounting Standards Board ("IASB") and therefore, do not contain all disclosures required by International Financial Reporting Standards ("IFRS") for annual financial statements. Accordingly, these unaudited interim condensed consolidated financial statements should be read in conjunction with the Company's most recently prepared audited annual financial statements for the fiscal year ended December 31, 2022.

The policies applied in these unaudited interim condensed consolidated financial statements are consistent with the policies disclosed in Notes 2 and 3 of the audited annual financial statements for the year ended December 31, 2023.

The unaudited interim condensed consolidated financial statements were authorized for issue by the Board of Directors on May 27, 2024.

#### Basis of measurement and functional currency

The unaudited interim condensed consolidated financial statements are presented in Canadian dollars and have been prepared on the historical cost basis except for financial instruments measured at fair value through profit or loss. Historical cost is generally based on the fair value of the consideration given in exchange for assets. The Company and its subsidiary's functional currency is the Canadian dollar.

#### Basis of consolidation

These unaudited interim condensed consolidated financial statements include the accounts of the Company and its wholly-owned subsidiary, SEGI Investments Limited, a BVI company, which is inactive. A subsidiary is an entity in which the Company has control, directly or indirectly, where control is determined based on whether the company is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

#### New Standards, Interpretations, and Amendments:

The Company has adopted all new and revised standards and interpretations issued by the IASB that are relevant to its operations and effective for financial periods beginning on or after a specified date.

The key standards, interpretations, and amendments that have been adopted are listed, with a brief description of their nature.

#### Basis of Preparation Under IAS 8

Under IAS 8, Accounting Policies, Changes in Accounting Estimates and Errors, the company selects and applies its accounting policies consistently for similar transactions, other events, and conditions.

Any changes in accounting policies are applied retrospectively, except when impractical, with adjustments made to the opening balance of retained earnings and other components of equity as of the earliest period presented.

Estimates are continually evaluated and based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.



# SPACKMAN EQUITIES GROUP INC.

## NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

(Expressed in Canadian Dollars)

FOR THE THREE MONTH PERIODS ENDED MARCH 31, 2024 AND 2023

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### 2. BASIS OF PRESENTATION (Cont'd)

Impact of IAS 12 - Income Taxes:

Recognition of Deferred Tax

The company recognizes deferred tax liabilities and assets for temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements.

Any impact due to changes in tax rates or tax laws, or due to reassessment of the recoverability of deferred tax assets, is reported in the period in which the change occurs.

Current Tax

The company measures current tax liabilities and assets based on tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period.

No Significant Impact

The adoption of new or revised standards, interpretations, or amendments, including those related to IAS 12, has not had a significant impact on the company's interim financial statements.

### 3. CASH

The Company's cash consist of the following:

	<b>March 31,</b>	December 31,
	<b>2024</b>	2023
Cash held in banks	<b>\$ 40,444</b>	\$ 7,936

### 4. INVESTMENT IN SHARES OF PUBLIC COMPANY

	<b>March 31,</b>	December 31,
	<b>2024</b>	2023
Spackman Entertainment Group Limited (SEGL)	<b>\$ 288,133</b>	\$ 429,740

The Company owns 7.82% (December 31, 2023 - 7.82%) of SEGL, and based on the March 31, 2024 closing price of SEGL's shares on the Singapore Exchange ("SGX") of Singapore dollars ("SGD") \$0.002 and CAD \$0.002 per share (December 31, 2023 - SGD \$0.003 and CAD \$0.003 per share), the market value of the Company's stake in SEGL is SGD \$287,042 (CAD \$288,133) (December 31, 2023 - CAD \$429,740). The fair value was determined based on quoted prices in active markets (Level 1).

# SPACKMAN EQUITIES GROUP INC.

## NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

(Expressed in Canadian Dollars)

FOR THE THREE MONTH PERIODS ENDED MARCH 31, 2024 AND 2023

### 5. INVESTMENT IN SHARES OF PRIVATE COMPANY

The Company has historically made investments in private companies through equity and debt investments. Due to uncertainty surrounding these investments, the Company historically wrote down these investments to a nominal value. The Company considers these investments, which were written down in the past, to still be impaired during the current period.

During the year ended December 31, 2017, the Company purchased 130,000 common voting shares of Spackman Media Group Limited (SMGL) for USD \$390,000 (CAD \$491,595), or USD \$3.00 (CAD \$3.78) per common share, from an unrelated shareholder of SMGL. The fair value of the investment is based on an independent, third party valuator as discussed in Note 11.

The Company owns 0.41% (December 31, 2023 - 0.41%) of SMGL and the fair value of the Company's stake in SMGL is USD \$67,600 (CAD \$89,408) (December 31, 2023 - USD \$67,600 (CAD \$89,638)). The gain (loss) in the fair value of SMGL for the period was \$Nil (December 31, 2023 - (\$58,079)) and was recognized in the consolidated statements of loss and comprehensive loss.

### 6. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	March 31, 2024	December 31, 2023
Accounts payable	\$ 221,095	\$ 110,183
Accrued expenses	264,630	314,242
	<u>\$ 485,725</u>	<u>\$ 424,425</u>

Accounts payable and accrued liabilities are current obligations expected to be settled in the normal course of operations.

### 7. LOANS PAYABLE

On August 9, 2017 the Company borrowed USD \$400,000 (CAD \$504,200) from an unrelated third party, on an unsecured basis for a term of one (1) year at an interest rate of 5% per annum. On June 12, 2019 the Company made a repayment of USD \$375,000 (CAD \$513,210). The balance as at March 31, 2024 is USD \$25,000 (CAD \$33,935) and accrued interest expense was \$420 for the three months ended March 31, 2024, respectively (March 31, 2023 - \$417). On maturity, the loan has been extended on three occasions for additional one-year terms. On August 8, 2023, the loan was extended again for an additional one year term to August 8, 2024. Total accrued interest as at March 31, 2024 was \$56,078.

On June 10, 2019 the Company borrowed USD \$400,000 (CAD \$519,520) from an unrelated third party, on an unsecured basis for a term of one (1) year at an interest rate of 4% per annum. On September 25, 2020 the Company made a portion repayment of USD \$218,000 (CAD \$290,520). The balance as at March 31, 2024 is USD \$182,000 (CAD \$247,047) and accrued interest expense was \$2,448 for the three months ended March 31, 2024, respectively (March 31, 2023 - \$2,427). On maturity, the loan has been extended on three occasions for additional term. On June 10, 2023, the loan was extended again for an additional one year term to June 10, 2024. Total accrued interest as at March 31, 2024 was \$61,269.

On August 12, 2020 the Company borrowed SGD \$400,000 (CAD \$390,520) from an unrelated third party, on an unsecured basis for a term of one (1) year at an interest rate of 5% per annum. The balance as at March 31, 2024 is SGD \$400,000 (CAD \$401,600) and accrued interest expense was \$5,017 for the three months ended March 31, 2024, respectively (March 31, 2023 - \$4,670). On maturity, the loan has been extended on two occasions for additional term. On August 11, 2023, it was extended again for an additional one year term to August 11, 2024. Total accrued interest as at March 31, 2024 was \$65,131.

# SPACKMAN EQUITIES GROUP INC.

## NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

(Expressed in Canadian Dollars)

**FOR THE THREE MONTH PERIODS ENDED MARCH 31, 2024 AND 2023**

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### 7. LOAN PAYABLE (Cont'd)

On August 12, 2020 the Company borrowed SGD \$96,000 (CAD \$93,725) from an unrelated third party, on an unsecured basis for a term of one (1) year at an interest rate of 5% per annum. The balance as at March 31, 2024 is SGD \$96,000 (CAD \$96,384) and accrued interest expense was \$1,201 for the three months ended March 31, 2024, respectively (March 31, 2023 - \$1,201). On maturity, the loan has been extended on two occasions for additional term. On August 11, 2023, it was extended again for an additional one year term to August 11, 2024. Total accrued interest as at March 31, 2024 was \$15,602.

On April 29, 2021 the Company borrowed USD \$20,000 (CAD \$24,992) from a related party, on an unsecured basis with maturity date December 31, 2022 at an interest rate of 2% per annum. On June 10, 2021 the Company made a portion repayment of USD \$14,960 (CAD \$18,143) and on March 29, 2024 the Company made a full repayment of USD \$5,040. Accrued interest expense was \$33 for the three months ended March 31, 2024, respectively (March 31, 2023 - \$34). Total accrued interest as at March 31, 2024 was \$444.

On August 24, 2021 the Company borrowed USD \$50,000 (CAD \$63,015) and on November 23, 2021 USD \$50,000 (CAD \$62,850) from a related party, on an unsecured basis with maturity date December 31, 2022 at an interest rate of 2% per annum. On December 31, 2022, the maturity date of the loan payable by the Company was extended to December 31, 2023 and on December 31, 2023, it was extended to December 31, 2024. The amortized cost of the loans after extension as at March 31, 2024 was \$121,335 (December 31, 2023 - \$113,921). Accrued interest expense was \$673 for the three months ended March 31, 2024, respectively (March 31, 2023 - \$667). Total accrued interest as at March 31, 2024 was \$6,555.

The interest rate for the 2021 loans payable were determined to be below market. The initial fair value of the loans payable was \$134,734 which was determined using an estimated discount rate of 13%. The difference between the principal and the fair value of the loans has been recorded as a fair value change in loans payable cost on the consolidated statements of loss and comprehensive loss for the year ended December 31, 2021. The amortized cost of the 2021 loans as at March 31, 2024 after the extension was \$121,335 (December 31, 2023 - \$119,504), which was determined using an estimated discount rate of 17%. Total accrued interest expense was \$706 for the three months ended March 31, 2024, respectively (March 31, 2023 - \$701).

On February 25, 2022 the Company borrowed USD \$35,000 (CAD \$44,506) from a related party, on an unsecured basis with maturity date December 31, 2023 at an interest rate of 2% per annum. On December 31, 2023, the maturity date of the loan payable by the Company was extended to December 31, 2024. The amortized cost of the loan after extension as at March 31, 2024 was \$41,831 (December 31, 2023 - \$39,083). Accrued interest expense was \$233 for the three months ended March 31, 2024, respectively (March 31, 2023 - \$233). Total accrued interest as at March 31, 2024 was \$1,955.

On July 12, 2022 the Company borrowed USD \$20,000 (CAD \$25,884) from a related party, on an unsecured basis with maturity date December 31, 2023 at an interest rate of 2% per annum. On December 31, 2023, the maturity date of the loan payable by the Company was extended to December 31, 2024. The amortized cost of the loan as at March 31, 2024 was \$23,902 (December 31, 2023 - \$22,333). Accrued interest expense was 135 for the three months ended March 31, 2024, respectively (March 31, 2023 - \$133). Total accrued interest as at March 31, 2024 was \$924.

Initial recognition of the below-market interest rate 2022 loans payable were measured in accordance with IFRS 9 (Financial Instruments), which requires these loans to be initially measured at its fair value. Fair value has been calculated as the present value of the expected future cash flows discounted using a market-related interest rate (determined to be 13% in 2022, and 17% for the extended loans in 2023 and 2024). The difference between fair value and the transaction price was determined to be immaterial.

# SPACKMAN EQUITIES GROUP INC.

## NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

(Expressed in Canadian Dollars)

FOR THE THREE MONTH PERIODS ENDED MARCH 31, 2024 AND 2023

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### 7. LOAN PAYABLE (Cont'd)

On January 20, 2023 the Company borrowed USD \$25,000 (CAD \$33,555) from a related party, on an unsecured basis with maturity date December 31, 2023 at an interest rate of 2% per annum. On December 31, 2023, the maturity date of the loan payable by the Company was extended to December 31, 2024. The amortized cost of the loan after the extension as at March 31, 2024 was \$29,895 (December 31, 2023 - \$27,928). Accrued interest expense was \$168 and accretion expense were \$1,223 for the three months ended March 31, 2024, respectively (March 31, 2023 - \$130, \$965). Total accrued interest as at March 31, 2024 was \$806.

On February 8, 2023 the Company borrowed USD \$25,000 (CAD \$33,625) from a related party, on an unsecured basis with maturity date February 7, 2024 at an interest rate of 2% per annum. On February 7, 2024, the maturity date of the loan payable by the Company was extended to December 31, 2025. The amortized cost of the loan as at March 31, 2024 was \$25,238 (December 31, 2023 - \$32,485). Accrued interest expense was \$168 and accretion expense \$1,192 for the three months ended March 31, 2024, respectively (March 31, 2023 - \$95, \$692). Total accrued interest as at March 31, 2024 was \$771.

On March 14, 2023 the Company borrowed USD \$45,000 (CAD \$61,569) from a related party, on an unsecured basis with maturity date March 13, 2024 at an interest rate of 2% per annum. On March 13, 2024, the maturity date of the loan payable by the Company was extended to December 31, 2025. The amortized cost of the loan as at March 31, 2024 was \$45,435 (December 31, 2023 - \$57,542). Accrued interest expense was \$303 and accretion expense \$2,393 for the three months ended March 31, 2024, respectively (March 31, 2023 - \$57, \$415). Total accrued interest as at March 31, 2024 was \$1,275.

On April 20, 2023 the Company borrowed USD \$20,000 (CAD \$26,970) from a related party, on an unsecured basis with maturity date April 19, 2024 at an interest rate of 2% per annum. The amortized cost of the loan as at March 31, 2024 was \$26,910 (December 31, 2023 - \$25,127). Accrued interest expense was \$135 and accretion expense was \$1,114 for the three months ended March 31, 2024, respectively. Total accrued interest as at March 31, 2024 was \$509.

On June 6, 2023 the Company borrowed USD \$38,000 (CAD \$50,494) from a related party, on an unsecured basis with maturity date June 5, 2024 at an interest rate of 2% per annum. The amortized cost of the loan as at March 31, 2024 was \$50,031 (December 31, 2023 - \$46,696). Accrued interest expense was \$256 and accretion expense was \$2,093 for the three months ended March 31, 2024, respectively. Total accrued interest as at March 31, 2024 was \$834.

On June 28, 2023 the Company borrowed USD \$14,800 (CAD \$19,742) from a related party, on an unsecured basis with maturity date December 31, 2024 at an interest rate of 2% per annum. The amortized cost of the loan as at March 31, 2024 was \$17,691 (December 31, 2023 - \$16,526). Accrued interest expense was \$100 and accretion expense was \$1,390 for the three months ended March 31, 2024, respectively. Total accrued interest as at March 31, 2024 was \$724.

On July 20, 2023 the Company borrowed USD \$24,000 (CAD \$31,610) from a related party, on an unsecured basis with maturity date December 31, 2024 at an interest rate of 2% per annum. The amortized cost of the loan as at March 31, 2024 was \$28,685 (December 31, 2023 - \$26,798). Accrued interest expense was \$160 and accretion expense was \$1,175 for the three months ended March 31, 2024, respectively. Total accrued interest as at March 31, 2024 was \$451.

# SPACKMAN EQUITIES GROUP INC.

## NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

(Expressed in Canadian Dollars)

FOR THE THREE MONTH PERIODS ENDED MARCH 31, 2024 AND 2023

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### 7. LOAN PAYABLE (Cont'd)

On September 5, 2023 the Company borrowed USD \$50,000 (CAD \$68,135) from a related party, on an unsecured basis with maturity date September 4, 2024 at an interest rate of 2% per annum. The amortized cost of the loan as at March 31, 2024 was \$63,088 (December 31, 2023 - \$58,938). Accrued interest expense was \$336 and accretion expense was \$2,583 for the three months ended March 31, 2024, respectively. Total accrued interest as at March 31, 2024 was \$768.

On November 15, 2023 the Company borrowed USD \$20,000 (CAD \$27,350) from an unrelated third party, on an unsecured basis with maturity date December 31, 2024 at an interest rate of 2% per annum. The amortized cost of the loan as at March 31, 2024 was \$23,904 (December 31, 2023 - \$22,331). Accrued interest expense was \$135 and accretion expense was \$976 for the three months ended March 31, 2024, respectively. Total accrued interest as at March 31, 2024 was \$203.

On December 11, 2023 the Company borrowed USD \$30,000 (CAD \$40,710) from an unrelated third party, on an unsecured basis with maturity date December 31, 2024 at an interest rate of 2% per annum. The amortized cost of the loan as at March 31, 2024 was \$35,861 (December 31, 2023 - \$33,500). Accrued interest expense was \$202 and accretion expense was \$1,469 for the three months ended March 31, 2024, respectively. Total accrued interest as at March 31, 2024 was \$246.

The interest rate for the 2023 loans payable were determined to be below market. Fair value has been calculated as the present value of the expected future cash flows discounted using a market-related interest rate in accordance with IFRS 9 (Financial Instruments). The initial fair value of the loans payable obtained during 2023 was \$328,873 which was determined using an estimated discount rate of 17%. The difference between the principal and the fair value of the loans of \$65,150 has been recorded as an unrealized gain from fair value change in loans cost of the loans obtained during 2023 on the consolidated statements of loss and comprehensive loss for the period ended December 31, 2023. \$35,832 has been recorded as an unrealized gain from fair value change in loans cost of the loans extended during 2023 on the consolidated statements of loss and comprehensive loss for the period ended December 31, 2023. Subsequent measurement is at amortized cost for these loans.

On January 8, 2024 the Company borrowed USD \$60,000 (CAD \$80,232) from an unrelated third party, on an unsecured basis with maturity date December 31, 2025 at an interest rate of 2% per annum. The amortized cost of the loan as at March 31, 2024 was \$71,717. Accrued interest expense was \$368 and accretion expense was \$2,684 for the three months ended March 31, 2024, respectively. Total accrued interest as at March 31, 2024 was \$368.

On February 29, 2024 the Company borrowed USD \$60,000 (CAD \$82,420) from an unrelated third party, on an unsecured basis with maturity date December 31, 2025 at an interest rate of 2% per annum. The amortized cost of the loan as at March 31, 2024 was \$71,874. Accrued interest expense was \$138 and accretion expense was \$1,169 for the three months ended March 31, 2024, respectively. Total accrued interest as at March 31, 2024 was \$138.

The interest rate for the 2024 loans payable were determined to be below market. Fair value has been calculated as the present value of the expected future cash flows discounted using a market-related interest rate in accordance with IFRS 9 (Financial Instruments). The initial fair value of the loans payable obtained during 2024 was \$138,665 which was determined using an estimated discount rate of 17%. The difference between the principal and the fair value of the loans of \$22,987 has been recorded as an unrealized gain from fair value change in loans cost of the loans obtained during 2024 on the consolidated statements of loss and comprehensive loss for the period ended March 31, 2024. \$24,683 has been recorded as an unrealized gain from fair value change in loans cost of the loans extended during 2024 on the consolidated statements of loss and comprehensive loss for the period ended March 31, 2024. Subsequent measurement is at amortized cost for these loans.

# SPACKMAN EQUITIES GROUP INC.

## NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

(Expressed in Canadian Dollars)

FOR THE THREE MONTH PERIODS ENDED MARCH 31, 2024 AND 2023

### 8. SHARE CAPITAL

(a) Authorized:

An unlimited number of common shares

(b) Issued and outstanding

On August 13, 2021, the Company executed the consolidation of the outstanding common shares on the basis of ten existing common shares for one new common share. This resulted in a reduction of outstanding shares from 148,900,183 to 14,889,972 (subject to fractional rounding), the prior year presentation in the consolidated financial statements has been restated.

	Number of Shares	Amounts
<b>Balance, December 31, 2022, 2023 and March 31, 2024</b>	14,889,972	\$ 11,601,165

(c) Stock options

The Company has an incentive stock option plan for the officers and directors enabling them to purchase common shares. Each option granted under the plan is for a maximum term of 5 years. The exercise price is determined by the Company's board of directors at the time the option is granted, subject to regulatory approval, and may not be less than the most recent closing price of the common shares at the date of grant. Vesting provisions are also determined at the time of grant by the Company's board of directors.

During the period ended March 31, 2024 and year ended December 31, 2023, no options were granted.

### 9. CONTRIBUTED SURPLUS

The March 31, 2024 contributed surplus of the Company was \$1,558,667 (December 31, 2023 - \$1,558,667). The contributed surplus resulted from the fair market value of stock options granted through 2007 - 2014.

### 10. RELATED PARTY TRANSACTIONS

The following related party transactions occurred and were reflected in general and administrative expense in the consolidated financial statements during the periods ended March 31, 2024 and 2023 as follows:

#### REMUNERATION OF KEY PERSONNEL

	Three Months March 31,	
	2024	2023
Management consulting fees	\$ 47,976	\$ 18,263

Key management personnel are those individuals having authority and responsibility for planning, directing and controlling the activities of the Company and its subsidiary including the Company's Board of Directors. The Company considers key management to be the members of the Board of Directors, the Chief Executive Officer and the Chief Financial Officer. Transactions with related parties are incurred in the normal course of operations and initially recorded at fair value.

Included in accounts payable and accrued liabilities are consulting and directors' fees of \$76,615 and \$15,000 (December 31, 2023 - \$53,175 and \$15,000) to companies controlled by officers, directors and chief financial officer in common with the Company.

At period end, the Company owes \$17,482 to a related party (December 31, 2023 - \$17,482).

The amortized cost of loans payable to related parties as at December 31, 2023 was \$474,041 with accrued interest of \$15,595.

# SPACKMAN EQUITIES GROUP INC.

## NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

(Expressed in Canadian Dollars)

FOR THE THREE MONTH PERIODS ENDED MARCH 31, 2024 AND 2023

### 11. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

The Company's significant financial instruments comprise of cash, investments in shares of private and public companies, loans payable and accounts payable and accrued liabilities.

The Company classifies financial instruments in accordance with a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy are described below:

Level 1 Unadjusted quoted prices in active markets that are accessible at the measurement date for identical, unrestricted assets or liabilities;

Level 2 Quoted prices in markets that are not active, or inputs that are observable, either directly or indirectly, for substantially the full term of the asset or liability;

Level 3 Prices or valuation techniques that require inputs that are both significant to the fair value measurement and unobservable (supported by little or no market activity).

The following table shows the Levels within the hierarchy of financial assets and liabilities measured at fair value at the various reporting dates:

#### March 31, 2024

Recurring fair value measurements	Level 1	Level 2	Level 3	Total
Cash	\$ 40,444	\$ -	\$ -	\$ 40,444
Investment in shares of public company	288,133	-	-	288,133
Investment in shares of private company	-	-	88,232	88,232
	\$ 328,577	\$ -	\$ 88,232	\$ 416,809

#### December 31, 2023

Recurring fair value measurements	Level 1	Level 2	Level 3	Total
Cash	\$ 7,936	\$ -	\$ -	\$ 7,936
Investment in shares of public company	429,740	-	-	429,740
Investment in shares of private company	-	-	89,638	89,638
	\$ 437,676	\$ -	\$ 89,638	\$ 527,314

The determination of what constitutes observable data, requires significant judgement by the Company. The Company considers observable data to be market data that is readily available, reliable, verifiable and provided from independent transactions.

#### Risk management

The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities.

The Company has exposure to the following risks from its use of financial instruments:

##### (a) Market risk

Market risk is the risk that the fair value of, or future cash flows from, the Company's financial instruments will significantly fluctuate due to changes in market prices. The value of the financial instruments can be affected by changes in interest rates, foreign exchange rates, and equity prices. The Company is exposed to market risk in trading its investments, and unfavourable market conditions could result in dispositions of investments at less than favourable prices.

# SPACKMAN EQUITIES GROUP INC.

## NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

(Expressed in Canadian Dollars)

FOR THE THREE MONTH PERIODS ENDED MARCH 31, 2024 AND 2023

### 11. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (Cont'd)

#### (b) Credit risk

Credit risk is attributable to cash. The Company's cash and cash equivalent are held with reputable financial institutions. The carrying value of cash represents the Company's maximum exposure to credit risk.

#### (c) Liquidity risk

Liquidity risk is the risk that the Company is not able to meet its financial obligations as they become due. The Company ensures that there is sufficient capital in order to meet short-term business requirements, after taking into account cash flows from operations and the Company's holdings of cash. The Company's cash is available on demand. There are adequate resources to meet any obligations as they fall due and mature within a year.

The Company's Board of Directors reviews and approves any material transactions out of the ordinary course of business including acquisitions or other major investments. Management believes that the risk associated with liquidity is low.

As at March 31, 2024, the Company has the following financial obligations:

	<1 year	1-5 years	>5 years	Total
Accounts payable	\$ 221,095	\$ -	\$ -	\$ 221,095
Accrued liabilities	264,630	-	-	264,630
Loan payable	1,385,689	70,673	-	1,456,362
	<u>\$ 1,871,414</u>	<u>\$ 70,673</u>	<u>\$ -</u>	<u>\$ 1,942,087</u>

#### (d) Foreign exchange risk

Foreign currency exchange risk is the risk that the fair value of, or future cash flows from, the Company's financial instruments will fluctuate as a result of changes in foreign exchange rates. The Company currently has financial instruments denominated in U.S. dollars, Singapore dollars and Hong Kong dollars.

#### (e) Concentration risk

The Company is exposed to the possible risk inherent in the concentration of the investment portfolio in a small number of industries or investment sectors. As at March 31, 2024 and 2023, the percentages of the Company's investment in each industry sector were as follows:

Sector	As a % of Total Investments	
	March 31, 2024	March 31, 2023
Media / Entertainment	99.9	99.9
Other	0.1	0.1
Total	100.0	100.0



# SPACKMAN EQUITIES GROUP INC.

## NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

(Expressed in Canadian Dollars)

FOR THE THREE MONTH PERIODS ENDED MARCH 31, 2024 AND 2023

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### 12. SUBSEQUENT EVENT

Subsequent to the quarter the Company ("SQG") received shareholder approval for a reverse takeover transaction (the "RTO") with Crystal Planet Limited ("CPL").

The transaction will constitute a "Reverse Takeover" ("RTO") transaction under the policies of the TSX Venture Exchange (the "TSXV"). CPL is a private company incorporated under the laws of Hong Kong with two wholly-owned subsidiaries, SBD Entertainment Inc. and MSteam Entertainment Co., Ltd. that operate full service talent agencies, representing artists in the Korean entertainment industry. CPL develops, produces, finances, and owns entertainment content projects, including theatrical motion pictures and TV dramas. The RTO involves share-based consideration only. Prior to completion of the RTO, SQG will complete a share consolidation on the basis of five (5) pre-consolidation common shares for every one (1) post-consolidation common share (the "Consolidation").

After completion of the RTO, the Resulting Issuer will carry on the business currently carried on by CPL, as described above. The Agreement contains customary representations and warranties for a transaction of this kind and was approved by the Board of Directors of each of SQG, CPL and the Vendor. It is expected that immediately prior to the closing of the RTO, the Board of Directors of SQG will appoint individuals designated by the Vendor as directors of the Resulting Issuer, and any remaining directors of SQG will resign.

The Agreement also provides that prior to or concurrent with the date of closing of the RTO, SQG will have completed a private placement of common shares of SQG for a minimum amount of US\$500,000.

On May 21, 2024, the TSXV granted an extension to the deadline for completing the proposed RTO from May 29, 2024 to August 27, 2024.