

Condensed Consolidated Interim Financial Statements
(In U.S. dollars)

D2L INC.

For the three and six months ended July 31, 2024 and 2023
(Unaudited)

D2L INC.

Condensed Consolidated Interim Statements of Financial Position
(In U.S. dollars)

As at July 31, 2024 and January 31, 2024
(Unaudited)

	July 31, 2024	January 31, 2024
Assets		
Current assets:		
Cash and cash equivalents	$ 98,059,870	$ 116,943,499
Trade and other receivables (note 3)	28,519,428	23,025,690
Uninvoiced revenue	3,542,139	3,971,861
Prepaid expenses	7,643,525	10,517,226
Deferred commissions	5,365,809	5,334,864
	143,130,771	159,793,140
Non-current assets:		
Other receivables (note 3)	476,385	537,056
Prepaid expenses	290,583	119,872
Deferred income taxes	544,501	529,674
Right-of-use assets	8,642,646	8,774,960
Property and equipment	7,729,392	8,427,734
Deferred commissions	7,785,682	7,730,724
Investment in associate (note 14)	341,334	—
Loan receivable from associate (note 7)	5,031,127	—
Intangible assets (note 4)	18,416,205	770,707
Goodwill (note 5)	26,051,803	10,440,091
Total assets	$ 218,440,429	$ 197,123,958
Liabilities and Shareholders' Equity		
Current liabilities:		
Accounts payable and accrued liabilities	$ 27,839,548	$ 32,635,926
Deferred revenue	113,252,795	93,727,368
Lease liabilities	1,366,283	1,002,464
Contingent consideration (note 6)	311,549	271,479
	142,770,175	127,637,237
Non-current liabilities:		
Deferred income taxes	4,334,057	587,075
Lease liabilities	11,096,375	11,707,534
Contingent consideration (note 6)	4,529,000	311,839
	19,959,432	12,606,448
	162,729,607	140,243,685
Shareholders' equity:		
Share capital (note 8)	367,404,918	364,830,884
Additional paid-in capital	46,517,830	47,485,107
Accumulated other comprehensive loss	(7,471,175)	(4,998,317)
Deficit	(350,740,751)	(350,437,401)
	55,710,822	56,880,273
Related party transactions (note 11)		
Total liabilities and shareholders' equity	$ 218,440,429	$ 197,123,958

See accompanying notes to the condensed consolidated interim financial statements.
On behalf of the Board of Directors:

(signed) John Baker, Director

(signed) J. Ian Giffen, Director

D2L INC.

Condensed Consolidated Interim Statements of Comprehensive Loss
(In U.S. dollars)

For the three and six months ended July 31, 2024 and 2023
(Unaudited)

	Three months ended July 31		Six months ended July 31	
	2024	2023	2024	2023
Revenue:				
Subscription and support	$ 44,017,554	$ 39,405,679	$ 86,971,029	$ 78,595,340
Professional service and other	5,150,798	5,064,462	10,692,215	10,102,740
	49,168,352	44,470,141	97,663,244	88,698,080
Cost of revenue:				
Subscription and support	11,928,116	10,852,459	23,874,726	22,093,199
Professional services and other	3,867,294	3,936,514	7,738,162	7,043,818
	15,795,410	14,788,973	31,612,888	29,137,017
Gross profit	33,372,942	29,681,168	66,050,356	59,561,063
Expenses:				
Sales and marketing	14,591,271	14,961,079	27,496,210	27,401,746
Research and development	11,863,787	12,519,168	24,154,558	23,664,521
General and administrative	8,480,828	7,312,207	16,580,259	13,501,710
	34,935,886	34,792,454	68,231,027	64,567,977
Loss from operations	(1,562,944)	(5,111,286)	(2,180,671)	(5,006,914)
Interest and other income (expense):				
Interest expense	(153,886)	(142,866)	(314,546)	(298,874)
Interest income	944,693	840,405	2,028,738	1,716,512
Other income (expense)	(59,433)	(211)	43	15,252
Gain on SkillsWave disposal transaction (note 11)	917,395	—	917,395	—
Foreign exchange gain (loss)	(147,067)	(364,693)	83,714	65,479
	1,501,702	332,635	2,715,344	1,498,369
(Loss) income before income taxes	(61,242)	(4,778,651)	534,673	(3,508,545)
Income taxes (recovery):				
Current	305,923	316,769	356,668	391,411
Deferred	(104,581)	(267,464)	(131,677)	(182,451)
	201,342	49,305	224,991	208,960
(Loss) income for the period	(262,584)	(4,827,956)	309,682	(3,717,505)
Other comprehensive gain (loss):				
Foreign currency translation gain (loss)	(1,677,168)	746,510	(2,472,858)	535,299
Comprehensive loss	$ (1,939,752)	$ (4,081,446)	$ (2,163,176)	$ (3,182,206)
(Loss) earnings per share – basic (note 9)	$ (0.00)	$ (0.09)	$ 0.01	$ (0.07)
(Loss) earnings share – diluted (note 9)	$ (0.00)	$ (0.09)	$ 0.01	$ (0.07)
Weighted average number of common shares – basic (note 9)	54,374,056	53,430,984	54,195,897	53,328,052
Weighted average number of common shares – diluted (note 9)	54,374,056	53,430,984	55,770,096	53,328,052

See accompanying notes to the condensed consolidated interim financial statements.

D2L INC.

Condensed Consolidated Interim Statements of Shareholders' Equity
(In U.S. dollars)

For the six months ended July 31, 2024 and 2023
(Unaudited)

	Share Capital		Additional paid-in capital	Accumulated other comprehensive loss	Deficit	Total
	Shares	Amount				
Balance, January 31, 2024	53,978,085	$ 364,830,884	$ 47,485,107	$ (4,998,317)	$ (350,437,401)	$ 56,880,273
Issuance of Subordinate Voting Shares on exercise of options	351,007	3,043,827	(1,593,216)	—	—	1,450,611
Issuance of Subordinate Voting Shares on settlement of restricted share units	355,840	1,287,144	(4,290,550)	—	—	(3,003,406)
Stock-based compensation (note 10)	—	—	4,916,489	—	—	4,916,489
Repurchase of share capital for cancellation under NCIB (note 8)	(238,280)	(1,756,937)	—	—	—	(1,756,937)
Change in share repurchase commitment under ASPP (note 8)	—	—	—	—	(613,032)	(613,032)
Other comprehensive loss	—	—	—	(2,472,858)	—	(2,472,858)
Income for the period	—	—	—	—	309,682	309,682
Balance, July 31, 2024	54,446,652	$ 367,404,918	$ 46,517,830	$ (7,471,175)	$ (350,740,751)	$ 55,710,822
Balance, January 31, 2023	53,146,530	357,639,824	46,084,161	(5,001,805)	(344,630,902)	54,091,278
Issuance of Subordinate Voting Shares on exercise of options	301,494	2,702,550	(1,146,774)	—	—	1,555,776
Issuance of Subordinate Voting Shares on settlement of restricted share units	209,695	961,800	(2,405,427)	—	—	(1,443,627)
Stock-based compensation (note 10)	—	—	5,169,006	—	—	5,169,006
Other comprehensive gain	—	—	—	535,299	—	535,299
Loss for the period	—	—	—	—	(3,717,505)	(3,717,505)
Balance, July 31, 2023	53,657,719	$ 361,304,174	$ 47,700,966	$ (4,466,506)	$ (348,348,407)	$ 56,190,227

See accompanying notes to the condensed consolidated interim financial statements.

D2L INC.

Condensed Consolidated Interim Statements of Cash Flows
(In U.S. dollars)

For the six months ended July 31, 2024 and 2023
(Unaudited)

	2024	2023
Operating activities:		
(Loss) income for the period	$309,682	$(3,717,505)
Items not involving cash:		
Depreciation of property and equipment	861,831	721,635
Depreciation of right-of-use assets	612,221	643,910
Amortization of intangible assets	179,233	32,572
Gain on disposal of property and equipment	(47,194)	(15,670)
Stock-based compensation (note 10)	4,916,489	5,169,006
Net interest income	(1,714,192)	(1,417,638)
Income tax expense	224,991	208,960
Gain on SkillsWave disposal transaction (note 11)	(917,395)	—
Loss from equity accounted investee (note 14)	96,764	—
Changes in operating assets and liabilities:		
Trade and other receivables	(4,478,486)	(7,434,422)
Uninvoiced revenue	325,811	(615,095)
Prepaid expenses	2,528,054	1,573,388
Deferred commissions	(271,090)	(1,331,109)
Accounts payable and accrued liabilities	(6,439,504)	(4,182,827)
Deferred revenue	19,061,544	14,936,043
Right-of-use assets and lease liabilities	(49,476)	—
Interest received	1,984,358	1,717,429
Interest paid	(17,757)	—
Income taxes paid	(548,991)	(435,663)
Cash flows from operating activities	16,616,893	5,853,014
Financing activities:		
Payment of lease liabilities	(853,965)	(262,024)
Proceeds from exercise of stock options	1,450,611	1,555,776
Taxes paid on settlement of restricted share units	(3,003,406)	(1,443,627)
Repurchase of share capital for cancellation under NCIB (note 8)	(1,756,937)	—
Cash flows used in financing activities	(4,163,697)	(149,875)
Investing activities:		
Purchase of property and equipment	(393,023)	(4,103,826)
Proceeds from disposal of property and equipment	47,194	15,670
Acquisition of business, net of cash acquired (note 15)	(22,308,927)	(2,766,284)
Payment of contingent consideration (note 6)	(249,436)	—
Transfer of cash on disposal of SkillsWave (note 11)	(1,483,357)	—
Proceeds from sale of majority ownership stake in SkillsWave (note 11)	809,038	—
Issuance of loan to SkillsWave (note 7)	(5,000,000)	—
Cash flows used in investing activities	(28,578,511)	(6,854,440)
Effect of exchange rate changes on cash and cash equivalents	(2,758,314)	690,427
Decrease in cash and cash equivalents	(18,883,629)	(460,874)
Cash and cash equivalents, beginning of period	116,943,499	110,732,236
Cash and cash equivalents, end of period	98,059,870	110,271,362

See accompanying notes to the condensed consolidated interim financial statements.

D2L Inc. was incorporated on January 2, 2011 under the laws of Ontario, Canada and continued under the Canadian Business Corporations Act, effective June 20, 2014. The address of the Company's head office is 137 Glasgow Street, Suite 560, Kitchener, ON, Canada, N2G 4X8. D2L Inc. and its subsidiaries (the "Company" or "D2L") provide cloud-based learning software for higher education institutions, kindergarten to grade 12 (K-12) schools and districts, and private sector enterprises.

1. Basis of presentation:

(a) Statement of compliance and consolidation:

These unaudited condensed consolidated interim financial statements (the "Interim Financial Statements") have been prepared in accordance with International Accounting Standard 34, Interim Financial Reporting, as issued by the International Accounting Standards Board. They do not include all the information required for a complete set of financial statements prepared in accordance with IFRS Accounting Standards ("IFRS") and should be read in conjunction with the annual audited consolidated financial statements of the Company for the year ended January 31, 2024 (the "Annual Financial Statements"). Selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Company's financial position and performance since the Annual Financial Statements.

These Interim Financial Statements were authorized for issuance by the Board of Directors on September 4, 2024.

(b) Basis of consolidation:

These Interim Financial Statements include the accounts of (i) D2L Inc.; (ii) its wholly owned subsidiaries: D2L Corporation; D2L Ltd; D2L Europe Ltd; D2L EU B.V.; D2L Australia Pty Ltd; D2L Asia Pte. Ltd.; D2L Brasil Soluções de Tecnologia para Educação Ltda.; D2L Commerce Inc.; Connected Shopping Ltd; D2L India Private Limited; D2L Sistemas de Aprendizaje Innovadores, Sociedad De Responsabilidad Limitada De Capital Variable; and H5P Group AS ("H5P") which was acquired by the Company on July 9, 2024; and (iii) SkillsWave Corporation ("SkillsWave"), a wholly-owned subsidiary incorporated on April 2, 2024, until the disposal of its controlling interest on June 28, 2024, at which time the Company recognized an equity investment in SkillsWave. See Note 11 for additional details. Balances and transactions between the Company and its subsidiaries, which are related parties of the Company, have been eliminated upon consolidation and are not disclosed.

1. Basis of presentation (continued):

(c) Seasonality of interim operations:

The operations of the Company can be seasonal in nature. Cash flows from operations have a seasonal low in the first quarter each year and a seasonal high in the second quarter each year, due to the contractual timing of annual invoicing with our end customers, many of which have a fiscal year end in the second quarter.

The results of operation for any interim period are not necessarily indicative of operations for the full fiscal year or any future period.

(d) Use of estimates and judgments:

The preparation of these Interim Financial Statements in accordance with IFRS requires management to make judgments, estimates and assumptions that affect amounts reported in the consolidated financial statements and accompanying notes. Estimates and underlying assumptions are reviewed on an ongoing basis. Actual results may differ from these estimates. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected. The significant judgments made by management in applying the Company's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the Annual Financial Statements, except for the following:

Classification and measurement of loan receivable from associate

The Company determines the business model of the loan receivable from associate as held-to-collect, based on management's intent and strategic objective to collect contractual cash flows on the financial instrument. In evaluating whether its contractual cash flows represent solely payments of principal and interest ("SPPI"), the Company considers the contractual terms of the instrument, including assessing whether the financial asset contains contractual terms that could change the timing or amount of contractual cash flows such that they would not be consistent with a basic lending arrangement. The Company determines the loan receivable from associate would not meet the SPPI test given the conversion option of the loan. Accordingly, the Company classifies and measures the financial asset as fair value through profit and loss. Refer to Note 6 for additional information on the estimates and assumptions used to determine fair value and Note 7 for additional information on the terms of the loan.

1. Basis of presentation (continued):

Fair value of acquired intangible assets

The Company estimates the fair value of acquired technology, customer relationships and brand acquired in a business combination based on the present value of expected future cash flows. These valuation techniques involve significant judgement as a result of a high degree of subjectivity and estimation uncertainty associated with the significant assumptions used to determine the fair value of the acquired intangible assets at the acquisition date. The assumptions relate to projected future revenues and expenses attributable to the acquired technology, customer relationships, or brand; software technology migration rates; expected research and development costs to maintain the acquired technology; customer attrition rates; royalty rates; economic useful lives; future growth rates; tax rates; margin rates; and discount rates.

Fair value of contingent consideration

The Company measures the contingent consideration payable in a business combination at the estimated fair value upon initial measurement and at each subsequent reporting date. The fair value is estimated based on the range of possible outcomes and the Company's assessment of the likelihood of each outcome discounted to its present value.

2. Material accounting policies:

The accounting policies followed in these Interim Financial Statements are consistent with the accounting policies outlined in note 2 of the Company's Annual Financial Statements, except for the following:

Intangible assets

Certain of the Company's intangible assets, including acquired technology, customer relationships and brand were acquired in a business combination. These intangible assets are recorded at their fair values at the acquisition date. After initial recognition, intangible assets are measured at cost less any accumulated amortization and impairment losses. Intangible assets with an indeterminable benefit period are not amortized. Amortization is based on the estimated useful lives using the straight-line method and the following periods:

Domains	Indefinite life
Patents	Remaining life of patent
Acquired Technology	2 - 10 years
Customer relationships	8 - 10 years
Brand	Indefinite life

2. Material accounting policies (continued):

Investment in associate

Entities over which the Company has significant influence (investments in "associates") are accounted for using the equity method. Significant influence is assumed when the Company's interests are 20% or more, unless qualitative factors overcome this assumption. Significant influence represents the ability of the Company to participate in the financial and operating policy decisions of the investee but does not control or have joint control over those policies.

Where a consolidated subsidiary is disposed and an equity method investment is retained, the investment is measured at its fair value at the time of disposal. Any difference between the carrying amount of the investment upon the loss of control and the fair value of the retained investment plus proceeds from disposal, if any, is recognized in profit or loss.

The consolidated financial statements include the Company's share of the income and expenses and equity changes of its equity accounted investees, from the date that significant influence commences until the date that significant influence ceases.

After application of the equity method, the Company determines whether it is necessary to recognize an impairment loss on its investment in its associate. At each reporting date, the Company determines whether there is objective evidence that the investment in the associate is impaired. If there is such evidence, the Company calculates the amount of impairment as the difference between the recoverable amount of the associate and its carrying value, and then recognizes the loss within 'Loss from equity accounted investee' in the consolidated statement of comprehensive profit or loss.

Upon the date that significant influence ceases, the Company measures and recognizes any retained investment at its fair value. Any difference between the carrying amount of the associate upon the loss of significant influence and the fair value of the retained investment plus proceeds from disposal, if any, is recognized in profit or loss.

New and amended standards and interpretations issued but not yet effective

There are no updates to information provided in the Annual Financial Statements about the standards issued but not yet effective that could potentially impact the Company except for the following:

The IASB published IFRS 18, Presentation and Disclosure in Financial Statements (replacing IAS 1, Presentation of Financial Statements), which includes improvements on how information is communicated in the financial statements, with a focus on information in the statement of income. The new standard is effective for annual periods beginning on or after February 1, 2027. The Company is currently assessing the impacts IFRS 18 will have on its consolidated financial statements.

2. Material accounting policies (continued):

The IASB published amendments to IFRS 9, Financial Instruments, and IFRS 7, Classification and Measurement of Financial Instruments. The amendments clarify when a financial asset or a financial liability is recognized and derecognized and to provide an exception for certain financial liabilities settled using an electronic payment system. The amendments will be effective for annual periods beginning on or after February 1, 2026. The Company is currently assessing the impact of these amendments and is not expecting any significant impacts on its consolidated financial statements.

3. Trade and other receivables:

The trade and other receivables, net of allowance, are as follows:

	July 31, 2024	January 31, 2024
Trade receivables	$ 25,846,763	$ 20,441,839
Allowance for doubtful accounts	(398,987)	(310,395)
Net trade receivables	25,447,776	20,131,444
Other receivables	3,548,037	3,431,302
Trade and other receivables	$ 28,995,813	$ 23,562,746
Comprised of:		
Current	$ 28,519,428	$ 23,025,690
Non-current	476,385	537,056

As at July 31, 2024, one customer accounted for more than 10% of the net trade receivables (January 31, 2024 - one customer accounted for more than 10% of net trade receivables).

Other receivables are comprised primarily of income tax receivables, sublease receivables and government grant receivables. Subsequent to July 31, 2024, the government grant receivable balance of $1,560,384 was collected in full. All receivables are classified as current for the period ended July 31, 2024, with the exception of a portion of the sublease receivables classified as non-current, in line with the timing of contractual sublease payments. The Company assesses the need for an allowance against other receivables at each reporting date. In each period presented, the Company has concluded that the other receivables balances are collectible and accordingly have not recorded an allowance.

4. Intangible assets:

	Acquired Technology	Domains	Patents	Customer Relationships	Brand	Total
Cost						
Balance, January 31, 2024	$6,809,688	$171,032	$241,112	$257,586	–	$7,479,418
Additions through acquisition (note 15)	11,600,000	–	–	4,200,000	2,000,000	17,800,000
Effects of movement in exchange rates	(90,421)	(5,111)	(7,205)	11,045	3,699	(87,993)
Balance, July 31, 2024	$18,319,267	$165,921	$233,907	$4,468,631	$ 2,003,699	$25,191,425
Accumulated amortization & Impairment						
Balance, January 31, 2024	$6,543,698	–	$140,864	$24,149	–	$6,708,711
Amortization	129,516	–	8,691	41,027	–	179,234
Effects of movement in exchange rates	(108,813)	–	(4,341)	429	–	(112,725)
Balance, July 31, 2024	$6,564,401	–	$145,214	$65,605	–	$6,775,220
Carrying Amounts						
January 31, 2024	$265,990	$171,032	$100,248	$233,437	–	$770,707
July 31, 2024	$11,754,866	$165,921	$88,693	$4,403,026	$2,003,699	$18,416,205

D2L Europe Ltd., an indirect subsidiary of the Company, acquired H5P Group AS during the period as described in note 15. The acquired intangible assets include acquired technology, customer relationships and brand assets.

During the period ended July 31, 2024, the Company reclassified, for presentation purposes, software and course content intangible asset balances to the acquired technology intangible asset balance.

4. Intangible assets (continued):

Future amortization expense associated with definite-life intangible assets recognized as of July 31, 2024 is expected to be as follows:

August 1, 2024 – January 31, 2025	$ 1,061,036
February 1, 2025 – January 31, 2026	2,126,870
February 1, 2026 – January 31, 2027	2,127,830
February 1, 2027 – January 31, 2028	2,121,112
February 1, 2029 and beyond	8,809,737
	$ 16,246,585

5. Goodwill:

	July 31, 2024	January 31, 2024
Balance, beginning of year	$ 10,440,091	$ 7,070,432
Acquisition of Connected Shopping Ltd (note 15)	294,000	3,319,615
Acquisition of H5P (note 15)	15,451,494	–
Effects of movement in exchange rates & other	(133,782)	50,044
Balance, end of period	$ 26,051,803	$ 10,440,091

6. Financial instruments:

Fair value of financial instruments:

Fair value is the price that would be received to sell an asset, or paid to transfer a liability, in an orderly transaction between market participants at the measurement date. The Company measures fair value on a recurring basis based on a fair value hierarchy that requires it to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value. A financial instruments' categorization within the fair value hierarchy is based upon the lowest level of input that is significant to the fair value measurement. The three levels of inputs that may be used to measure fair value are as follows:

- Level 1 – Quoted prices in active markets for identical assets or liabilities
- Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly
- Level 3 – Unobservable inputs

Observable inputs are based on market data obtained from independent sources.

6. Financial instruments (continued):

The carrying values of cash and cash equivalents, trade and other receivables, uninvoiced revenue, and accounts payable and accrued liabilities, approximate their fair values due to their short-term nature. The loan receivable from the associate and the contingent consideration are classified as Level 3 financial instruments as the inputs are not observable and there is no market-based activity. The carrying value of the loan receivable from associate was determined to be reflective of its fair value, where fair value is the expected discounted cash flows of the instrument at a rate commensurate with an estimated market rate for a debt instrument with similar terms and features and the value of the conversion feature. The fair value of the contingent consideration has been calculated based on expected future revenue from existing customers and discount rates. The following table shows a reconciliation from the opening balance to the ending balance at July 31, 2024 for fair value measurements in level 3 of the fair value hierarchy.

Contingent consideration

Balance at January 31, 2024	$ 583,318
Increase from H5P acquisition (note 15)	4,529,000
Payments made during the period	(249,436)
Fair value change through other income	(30,710)
Effects of movement in exchange rates & other	8,377
Balance at July 31, 2024	4,840,549
Contingent consideration classified as current liabilities	311,549
Contingent consideration classified as non-current liabilities	4,529,000

There were no changes in the categorization of financial instruments in the current or prior periods of these Interim Financial Statements other than the loan receivable from associate.

7. Loan receivable from associate:

Pursuant to the transaction outlined in Note 11, the Company agreed to provide a loan to SkillsWave Corporation (the "SkillsWave Loan") in the principal amount of $9,500,000 maturing in five years and bearing interest at the Canadian prime rate per annum, compounded annually. Principal and interest are payable at maturity. The SkillsWave Loan is to be advanced in tranches, with $5,000,000 advanced upon closing of the transaction on June 28, 2024, and the remaining $4,500,000 to be advanced upon the six-month anniversary of closing. The principal and accrued interest will be convertible at the option of the Company, in whole or in part, into non-voting shares of SkillsWave at a pre-determined price per share, to the extent that such shares, together with any shares acquired at closing and retained by the Company, do not exceed a maximum 37.5% ownership interest in SkillsWave. The SkillsWave Loan is secured by all assets of SkillsWave constituting a first priority security interest, subject only to permitted liens.

During the period ended July 31, 2024, the Company advanced the first tranche of the SkillsWave Loan in the amount of $5,000,000 to SkillsWave. The SkillsWave Loan was initially measured at its fair value and will subsequently be measured at fair value through profit or loss. The Company recognized interest income of $31,127 on the SkillsWave Loan and there was no material change in its fair value during the current period. The Loan receivable with accrued interest is disclosed as "Loan receivable from associate" in the Condensed Consolidated Interim Statements of Financial Position.

The following table shows the movement in the Loan receivable from associate balance in the Condensed Consolidated Interim Statements of Financial Position as at July 31, 2024:

	July 31, 2024
Balance, beginning of year	–
Granted during the period	5,000,000
Accrued interest income	31,127
Balance, end of period	$ 5,031,127

8. Share capital:

(a) Authorized share capital as at July 31, 2024 and January 31, 2024:

- Unlimited number of Subordinate Voting Shares, entitled to one vote per share, non-cumulative participating dividend rights, not convertible into any other class of shares

- Unlimited number of Multiple Voting Shares, entitled to 10 votes per share, non-cumulative participating dividend rates, convertible into Subordinate Voting Shares at the option of the holder and automatically in certain situations, subject to certain restrictions

- Unlimited number of preferred shares, issuable in series. The Board of Directors may, subject to certain restrictions, fix the number of preferred shares in a series and determine the designation of certain rights, including but not limited to: any right to receive dividends; any terms or conditions of redemption or purchase; any conversion rights; any retraction rights; and any rights on the Company's liquidation, dilution and winding up.

(b) Issued:

As at July 31, 2024, the Company had 27,056,064 Subordinate Voting Shares and 27,390,588 Multiple Voting Shares issued and outstanding. No preferred shares were issued and outstanding.

As at January 31, 2024, the Company had 26,587,497 Subordinate Voting Shares and 27,390,588 Multiple Voting Shares issued and outstanding. No preferred shares were issued and outstanding.

(c) Normal course issuer bid:

On December 5, 2023, the Company announced the launch of a normal course issuer bid ("NCIB") to be effected through the facilities of the Toronto Stock Exchange ("TSX"). The NCIB permits the Company to repurchase for cancellation up to 1,299,633 of the Company's Subordinate Voting Shares, representing approximately 10.0% of the "public float" (within the meaning of the rules of the TSX), during the twelve-month period commencing December 8, 2023.

In connection with the NCIB, the Company entered into an automatic share purchase plan ("ASPP") with its designated broker for the purpose of allowing the broker, on behalf of the Company, to purchase the Company's Subordinate Voting Shares under the NCIB during the Company's self-imposed trading blackout periods. Under the ASPP, the broker is authorized to repurchase Subordinate Voting Shares during blackout periods, without consultation with the Company, on predefined terms, including share price, time period and subject to other limitations imposed in advance by the Company and subject to rules and policies of the TSX and applicable securities laws, such as a daily purchase restriction.

8. Share capital (continued):

During the three and six months ended July 31, 2024, the Company repurchased and cancelled 106,900 and 238,280 Subordinate Voting Shares, respectively, under the NCIB for an aggregate purchase price of $735,018 and $1,756,937, respectively, which was recorded as a reduction of share capital. As at January 31, 2024, the Company recognized a liability and a charge to deficit of $2,264,410 for the repurchase of Subordinate Voting Shares under the ASPP within accounts payable and accrued liabilities, as an estimate of the maximum number of shares that could be repurchased during the blackout period. As at July 31, 2024, the Company has reassessed the liability as $2,877,442 for the repurchase of Subordinate Voting Shares under the ASPP within accounts payable and accrued liabilities, as an estimate of the maximum number of shares that could be repurchased during the blackout period. This resulted in a change of the original estimate made as at January 31, 2024 in the amount of $613,032, which was charged to deficit in the current period.

9. (Loss) earnings per share:

(Loss) earnings per share is calculated by dividing (loss) earnings for the period by the weighted average number of fully paid Subordinate Voting Shares and Multiple Voting Shares outstanding throughout the period.

	Three months ended July 31		Six months ended July 31	
	2024	2023	2024	2023
(Loss) income for the period	$ (262,584)	$ (4,827,956)	$ 309,682	$ (3,717,505)
Weighted average number of outstanding shares – basic	54,374,056	53,430,984	54,195,897	53,328,052
Weighted average number of outstanding shares – dilutive	54,374,056	53,430,984	55,770,096	53,328,052
(Loss) earnings per share – basic	$ (0.00)	$ (0.09)	$ 0.01	$ (0.07)
(Loss) earnings per share – dilutive	$ (0.00)	$ (0.09)	$ 0.01	$ (0.07)

The Company has four categories of potentially dilutive securities: stock options, restricted stock units ("RSUs"), performance stock units ("PSUs"), and deferred share units ("DSUs").

For the six month period ended July 31, 2024, 402,197 potentially dilutive instruments have been excluded from the weighted average number of diluted common shares as their effect would have been anti-dilutive.

9. (Loss) earnings per share (continued):

For the three month periods ended July 31, 2023 and 2024, and the six month period ended July 31, 2023, all potentially dilutive securities have been excluded from the calculation of diluted loss per share as the Company was in a net loss position during the period. Including the dilutive securities would be anti-dilutive; therefore, basic and dilutive number of shares used in the calculation is the same for all periods presented.

10. Stock-based compensation:

Total stock-based compensation expense recognized in the Company's condensed consolidated statements of comprehensive loss was as follows:

	Three months ended July 31		Six months ended July 31	
	2024	2023	2024	2023
Cost of subscription and support	$ 77,980	$ 94,596	$ 131,967	$ 145,647
Cost of professional services and other	70,963	77,248	163,286	137,139
Sales and marketing	231,729	562,453	464,480	894,736
Research and development	633,777	915,212	1,396,040	1,486,837
General and administrative	1,569,286	1,445,274	2,760,716	2,504,647
	$ 2,583,735	$ 3,094,783	$ 4,916,489	$ 5,169,006

(a) Legacy stock option plan:

During the three and six months ended July 31, 2024, the Company recognized stock-based compensation expense of $57,260 and $101,022 respectively (2023 – $108,291 and $226,960, respectively) related to stock options. A summary of stock option activity for the six months ended July 31, 2024 is presented below:

	Number of stock options outstanding	Weighted average exercise price	Weighted average remaining contractual life (years)
Balance, January 31, 2024	2,103,812	$ 6.25	4.63
Options forfeited	(152,519)	5.47	–
Options exercised	(581,848)	5.16	–
Balance, July 31, 2024	1,369,445	$ 6.80	4.53
Exercisable, end of period	1,167,012	$ 6.29	4.19

10. Stock-based compensation (continued):

A summary of stock option activity for the year ended January 31, 2024 is presented below:

	Number of stock options outstanding	Weighted average exercise price	Weighted average remaining contractual life (years)
Balance, January 31, 2023	2,991,307	$ 5.99	4.77
Options forfeited	(282,174)	5.70	–
Options exercised	(605,321)	5.20	–
Balance, January 31, 2024	2,103,812	$ 6.25	4.63
Exercisable, end of year	1,818,345	$ 5.86	4.28

Options outstanding and options exercisable as at July 31, 2024 by range of exercise price are as follows:

	Options outstanding			Options exercisable	
Range of exercise prices	Weighted average exercise price	Number of stock options	Weighted average remaining contractual life (years)	Weighted average exercise price	Number of stock options
$5.00 - $6.00	$ 5.16	812,118	3.23	$ 5.16	791,568
$6.01 - $7.00	6.50	259,493	6.15	6.50	198,924
$7.01 - $8.00	7.44	2,324	0.42	7.44	2,324
$8.01 - $9.00	8.48	71,678	6.24	8.48	51,385
$9.01 - $10.00	9.55	63,832	6.54	9.55	42,811
$10.01 - $14.00	13.77	160,000	7.01	13.77	80,000
	$ 6.80	1,369,445	4.53	$ 6.29	1,167,012

10. Stock-based compensation (continued):

(b) Long Term Incentive Plan:

Restricted share units

During the three and six months ended July 31, 2024, the Company recognized stock-based compensation expense of $2,193,839 and $4,238,260 respectively (2023 – $2,689,135 and $4,484,662, respectively) related to RSUs.

A summary of RSU activity for the period ended July 31, 2024 is presented below:

	Number of RSUs outstanding	Weighted average grant date fair value per RSU (in CAD)
Balance, January 31, 2024	2,720,188	$ 8.48
RSUs granted	1,502,436	9.73
RSUs forfeited	(301,199)	9.09
RSUs settled	(767,622)	7.71
Balance, July 31, 2024	3,153,803	$ 9.21
Vested but not yet settled, July 31, 2024	–	–

A summary of RSU activity for the year ended January 31, 2024 is presented below:

	Number of RSUs outstanding	Weighted average grant date fair value per RSU (in CAD)
Balance, January 31, 2023	2,176,061	$ 9.13
RSUs granted	1,795,789	8.32
RSUs forfeited	(474,737)	8.82
RSUs settled	(776,925)	9.73
Balance, January 31, 2024	2,720,188	$ 8.48
Vested but not yet settled, January 31, 2024	–	–

10. Stock-based compensation (continued):

Performance share units

During the current reporting period, the Company issued PSUs. These PSUs vest if the achievement of certain performance conditions as dictated by the Board of Directors of the Company have been met, and if the employee(s) remain employed by the Company throughout the vesting period. PSUs represent a right to receive, upon settlement, (a) a Subordinate Voting Share for each vested PSU; (b) a cash payment equal to the market price of vested PSUs; or (c) a combination thereof. The manner of settlement is at the sole discretion of the Board of Directors of the Company and the Company has no intention in the foreseeable future of settling PSUs in cash. Accordingly, PSUs are accounted for as equity awards. Dividend equivalent PSUs may be granted in respect of Subordinate Voting Shares covered by PSUs and would be subject to the same terms and conditions as the corresponding PSUs. Outstanding PSUs generally vest fully over a one-year period. The fair value of PSUs is based on the Subordinate Voting Share volume weighted average price during the trading day immediately preceding the date of grant. PSUs will generally be settled upon or shortly after vesting.

During the three and six months ended July 31, 2024, the Company recognized stock-based compensation expense of $8,649 (2023 – nil) related to PSUs.

A summary of PSU activity for the period ended July 31, 2024 is presented below:

	Number of PSUs outstanding	Weighted average grant date fair value per PSU (in CAD)
Balance, January 31, 2024	–	–
PSUs granted	9,016	$ 9.24
PSUs forfeited	–	–
PSUs settled	–	–
Balance, July 31, 2024	9,016	$ 9.24
Vested but not yet settled, July 31, 2024	–	–

10. Stock-based compensation (continued):

(c) Deferred Share Unit Plan:

During the three and six months ended July 31, 2024, the Company recognized stock-based compensation expense of $323,987 and $568,558 respectively (2023 – $297,357 and $457,384, respectively) related to DSUs.

A summary of DSU activity for the period ended July 31, 2024 is presented below:

	Number of DSUs outstanding	Weighted average grant date fair value per DSU (in CAD)
Balance, January 31, 2024	330,318	$ 7.58
DSUs granted	98,205	9.30
DSUs forfeited	–	–
DSUs settled	–	–
Balance, July 31, 2024	428,523	$ 7.97
Vested but not yet settled, July 31, 2024	293,190	$ 7.75

A summary of DSU activity for the year ended January 31, 2024 is presented below:

	Number of DSUs outstanding	Weighted average grant date fair value per DSU (in CAD)
Balance, January 31, 2023	174,599	$ 6.97
DSUs granted	155,719	8.27
DSUs forfeited	–	–
DSUs settled	–	–
Balance, January 31, 2024	330,318	$ 7.58
Vested but not yet settled, January 31, 2024	143,115	$ 7.12

11. Related party transactions:

Balances and transactions between the Company and its subsidiaries, which are related parties of the Company, have been eliminated on consolidation and are not disclosed in this note. The following transactions were carried out with related parties:

(a) The Company recognized revenue of $20,370 and $40,886 for the three and six months ended July 31, 2024, respectively (2023 - $30,610 and $52,849, respectively) related to service agreements with Virtual High School Ontario ("VHS"), a corporation controlled by family members of John Baker, the Company's Chief Executive Officer ("CEO"), and in which John Baker had a minority interest. As at July 31, 2024, the Company had nil (January 31, 2024 – $10,768) in trade receivables from this related party. The VHS Agreement was renewed on November 23, 2023 for an additional three-year term that ends on December 31, 2026.

(b) On October 15, 2021, D2L Corporation, a subsidiary of the Company, entered into a lease agreement with Catalyst 137 Kitchener L.P ("Catalyst") for office space in Kitchener, Ontario (the "Kitchener Lease"). John Baker, the Company's CEO, has a minority interest in Catalyst. The Kitchener Lease was approved by the independent members of the Board of Directors, John Baker abstaining, following declaration of his conflict of interest. John Baker did not participate in the negotiation of the terms of the Kitchener Lease.

The term of the Kitchener Lease is 11.5 years, which commenced on February 1, 2022. The Company recognized lease-related expenses, including right-of-use asset amortization, interest expense and common area maintenance fees, of $413,952 and $862,425 for the three and six months ended July 31, 2024, respectively (2023 - $508,484 and $999,878, respectively).

D2L Corporation has the following cash flow commitment relating to the Kitchener Lease:

	CAD	USD
August 1, 2024 – January 31, 2025	$ 910,117	$ 657,428
February 1, 2025 – January 31, 2026	1,858,854	1,342,753
February 1, 2026 – January 31, 2027	1,937,954	1,399,891
February 1, 2027 – January 31, 2028	2,020,311	1,459,383
February 1, 2028 – July 31, 2033	12,736,055	9,199,959
Total undiscounted commitment	$ 19,463,291	$ 14,059,414

11. Related party transactions (continued):

(c) On June 28, 2024, a corporation owned by John Baker, the Company's CEO, acquired 70,000,000 Series A-1 common shares of SkillsWave, representing 70% of the equity interest in SkillsWave, from the Company in exchange for cash consideration of $809,038 (C$1,120,000). SkillsWave was a wholly-owned subsidiary of the Company and provides upskilling solutions to employers.

Upon the loss of control of SkillsWave, the Company has determined that it has significant influence over SkillsWave as a result of its remaining 30% equity interest and the retention of its right to minority Board representation. Accordingly, the Company recognized the fair value of its investment in SkillsWave of $438,098 (see Note 14 for additional details), and derecognized the carrying value of the net assets of SkillsWave of $329,741, which included cash of $1,483,357, deferred revenue of $993,656 and accrued liabilities of $159,960. The disposal transaction resulted in a gain of $917,395 recorded as a "Gain on SkillsWave disposal transaction" in the Condensed Consolidated Interim Statements of Comprehensive Loss. The calculation of the gain is set out below:

	For the period ended 31 July 2024
Fair value of the consideration received	$ 809,038
Fair value of the retained investment in SkillsWave	438,098
Carrying value of net assets of SkillsWave disposed of	(329,741)
Gain on disposal of 70% interest in SkillsWave	$ 917,395

On June 28, 2024, the Company also entered into the following arrangements with SkillsWave: (i) the SkillsWave Loan (see Note 7 for additional details); (ii) a Shared Technology License Agreement permitting SkillsWave the use of a perpetual, irrevocable, non-exclusive, royalty-free, non-transferrable and non-sublicensable license to use certain technology of D2L in connection with the conduct of its business; (iii) an Assignment and Guarantee Agreement whereby D2L assigns and transfers its rights, obligations, interests and liabilities in a customer agreement to SkillsWave, and in consideration of the assignment and release, D2L guarantees for the benefit of the customer all of SkillsWave's financial obligations and liabilities in respect of the period from the effective date of June 28, 2024 to August 21, 2026 under and subject to the terms and conditions of the customer agreement; further, and as a result of entering into such arrangement, SkillsWave cross-indemnifies D2L for any claims made under the Assignment and Guarantee Agreement; and (iv) a Transition Services Agreement with SkillsWave to provide administrative services on a cost recovery basis to support the orderly transition of the upskilling education business (the "Wave Service Offering") from the Company to SkillsWave, which transition is expected to be completed on or before January 31, 2025, subject to permitted extensions. The Company recognized $14,265 in connection with the provision of administrative services during the three months ended July 31, 2024 in 'Other income (expense)' in the Condensed Consolidated Interim Statements of Comprehensive Loss.

11. Related party transactions (continued):

Subsequent to the disposal of SkillsWave on June 28, 2024, D2L received upskilling education services from SkillsWave in the amounts of $28,309 for the three and six months ended July 31, 2024 (nil for the three and six months ended July 31, 2023). As at July 31, 2024, the Company had $28,309 (January 31, 2024 – nil) in trade payables to this related party. The services received by D2L during the current period are consistent with the services it had previously received from the Wave Service Offering, prior to the transition of the Wave Service Offering from the Company to SkillsWave on June 28, 2024.

12. Employee benefits:

The total employee compensation comprising of salaries and benefits, excluding grants and tax credits, for the three and six months ended July 31, 2024 was $30,416,491 and $59,321,668, respectively (2023 - $29,790,990 and $57,085,208, respectively).

The Company has a defined contribution pension plan for its eligible employees. The total cost recognized for the Company's defined contribution plan for the three and six months ended July 31, 2024 was $763,459 and $1,476,980 respectively (2023 - $937,162 and $1,521,797, respectively).

13. Operating segments:

The Company reports segment information based on internal reports used by the chief operating decision maker ("CODM") to make operating and resource decisions and to assess performance. The CODM is the CEO and President. The CODM makes decisions and assesses performance of the Company on a consolidated basis such that the Company is a single reportable operating segment.

Geographic information:

Revenue by geographic region, based on the physical location of the customer for the period, is as follows:

	Three months ended July 31		Six months ended July 31	
	2024	2023	2024	2023
Canada	$ 10,307,345	$ 10,587,058	$ 22,347,500	$ 21,843,935
United States	28,423,788	25,401,761	55,800,726	50,286,140
Rest of world	10,437,219	8,481,322	19,515,018	16,568,005
Total	$ 49,168,352	$ 44,470,141	$ 97,663,244	$ 88,698,080

For each period presented, there was no single customer with revenue in excess of 10% of the Company's total revenue.

13. Operating segments (continued):

Non-current assets includes property and equipment, right-of-use assets, intangible assets, and goodwill that are attributable to individual geographic segments, based on location of the respective operations:

Property and equipment:

	July 31, 2024	January 31, 2024
Canada	$ 7,505,869	$ 8,216,610
United States	76,684	93,989
Rest of world	146,839	117,135
Total	$ 7,729,392	$ 8,427,734

Right-of-use-assets:

	July 31, 2024	January 31, 2024
Canada	$ 8,034,437	$ 8,774,960
Rest of world	608,209	–
Total	$ 8,642,646	$ 8,774,960

Intangible assets:

	July 31, 2024	January 31, 2024
Canada	$ 486,061	$ 270,779
Rest of world	17,930,144	499,928
Total	$ 18,416,205	$ 770,707

Goodwill:

	July 31, 2024	January 31, 2024
Canada	$ 6,878,829	$ 7,090,727
Rest of world	19,172,974	3,349,364
Total	$ 26,051,803	$ 10,440,091

14. Investment in associate:

During the current period, upon the disposal of its controlling interest in SkillsWave as discussed in Note 11 above, the Company recognized an equity investment related to its remaining 30% interest in SkillsWave which will be accounted for using the equity method of accounting. Accordingly, the Company has recorded $96,764 reflecting its share of the loss of SkillsWave within 'Other Income (expense)' for the three and six months ended July 31, 2024.

The associate had no contingent liabilities or capital commitments as at July 31, 2024.

15. Business acquisition:

Connected Shopping Ltd

On May 9, 2023, D2L Europe Ltd, an indirect subsidiary of the Company, acquired all of the outstanding shares of Connected Shopping Ltd ("Connected Shopping"), a SaaS e-commerce and course catalog company and maker of Course Merchant. This acquisition allows the Company to deliver Course Merchant as a part of its own suite of products to address the growing needs of higher education and training organizations worldwide. The operating results of the acquired company have been consolidated into the Company's results subsequent to the acquisition date.

The acquisition was accounted for as a business combination under the acquisition method. The purchase price consisted of initial cash consideration of $2,921,851, post-closing working capital adjustments of $26,896, contingent consideration with a fair value at the date of acquisition of $599,305, and the effective settlement of the pre-existing prepaid balance of $599,413, resulting in total consideration of $4,147,465. The contingent consideration is payable to the selling shareholders upon achieving certain customer churn targets by the first and second anniversary dates following the acquisition, which have a potential maximum contractual payment of $345,000, in equal installments, for a total of $690,000. During the three month period ended July 31, 2024, the Company made the first anniversary payment in the amount of $249,436 to the former shareholders of Connected Shopping. Upon revaluation as at July 31, 2024, the remaining liability associated with the contingent consideration decreased by $30,687 from January 31, 2024.

15. Business acquisition (continued):

The Company has prepared a final purchase price allocation of the assets acquired and the liabilities assumed of Connected Shopping based on management's best estimates of fair value:

Cash	$ 155,567
Trade and other receivables	264,720
Prepaid expenses	210,810
Property and equipment	21,995
Intangible assets:	
Customer relationship	249,000
Acquired Technology	302,500
Total assets	1,204,592
Less:	
Accounts payable and accrued liabilities	(294,673)
Deferred revenue	(238,194)
Deferred income taxes	(137,875)
Total liabilities	(670,742)
Separately identifiable net assets	$ 533,850
Goodwill	3,613,615
Total consideration	$ 4,147,465

There are also payments up to $690,000 in the form of post-combination compensation which are subject to the continued employment of specific employees, on the first and second anniversary dates following the acquisition in equal installments of $345,000. During the current period, the Company paid $345,000 representing the first anniversary payment to the former shareholders of Connected Shopping.

Accounts receivable comprise gross total contractual amounts due of $96,213 all of which had been collected in full in fiscal 2024.

Amortization of the customer relationships and acquired technology that was acquired is calculated using the straight-line method over their respective useful lives of eight and five years, respectively.

The goodwill recognized upon acquisition is attributable to expected synergies in adding Course Merchant to the Company's product offerings, and the estimated fair value of an assembled workforce. The entire goodwill balance is not deductible for tax purposes.

The Company incurred acquisition-related costs for the three and six months ended July 31, 2024 of $78,420 and $174,417, respectively (2023 – three and six months of $75,809), primarily consisting of post-combination compensation, and is recorded within General and Administrative expenses and Research and Development expenses.

15. Business acquisition (continued):

H5P Group AS

On July 9, 2024, D2L Europe Ltd, an indirect subsidiary of the Company, acquired all of the outstanding shares of H5P, a provider of interactive content creation software used by educators and organizations globally to improve learning by creating and enriching course materials. This transaction aligns with the Company's commitment to expand its learning platform with a focus on technologies to improve learning outcomes. The operating results of the acquired company have been consolidated into the Company's results subsequent to the acquisition date.

The acquisition was accounted for as a business combination under the acquisition method. The purchase price consists of initial cash consideration of $26,067,103, a purchase price holdback of $722,986, and contingent consideration with a fair value at the date of acquisition of $4,529,000, resulting in total consideration of $31,319,089. The purchase price holdback is subject to a post-closing purchase price adjustment based on H5P's final working capital and debt balances on close, which is expected to be finalized later in fiscal 2025.

The contingent consideration of $4,529,000 reflects the present value of the expected contractual payment of $4,900,000. The contingent consideration is payable to the selling shareholders upon meeting certain customer retention targets by the first anniversary date following the acquisition and is expected to be paid in the third quarter of fiscal 2026.

15. Business acquisition (continued):

The Company has prepared a preliminary purchase price allocation of the assets acquired and the liabilities assumed of H5P based on management's best estimates of fair value. The final purchase price allocation may vary based on the finalization of the purchase price, the valuation of the acquired intangible assets and the related tax impacts:

Cash	$ 3,758,176
Net trade and other receivables	655,110
Prepaid expenses	93,296
Property and equipment	10,777
Right-of-use assets	91,160
Intangible assets:	
Acquired Technology	11,600,000
Customer relationship	4,200,000
Brand	2,000,000
Total assets	22,408,519
Less:	
Accounts payable and accrued liabilities	(702,483)
Deferred revenue	(1,889,175)
Lease liabilities	(95,249)
Deferred income taxes	(3,854,017)
Total liabilities	(6,540,924)
Separately identifiable net assets	$ 15,867,595
Goodwill	15,451,494
Total consideration	$ 31,319,089

There are also payments of up to $2,500,000 in the form of post-combination compensation due on the first anniversary date following the acquisition, subject to the continued employment of specific employees throughout the period.

Accounts receivable comprise gross total contractual amounts due of $715,280, of which $313,406 has been collected as of July 31, 2024.

Amortization of the customer relationships and acquired technology that was acquired is calculated using the straight-line method over their respective useful lives of ten and seven years, respectively. The brand was determined to have an indefinite useful life.

The goodwill recognized upon acquisition is attributable to expected synergies in adding H5P to the Company's product offerings, and the estimated fair value of an assembled workforce. The entire goodwill balance is not deductible for tax purposes.

15. Business acquisition (continued):

The Company incurred acquisition related costs of $461,344 for the period ended July 31, 2024, including professional fees and post-combination compensation, which are recorded within General and Administrative expenses.

Since the date of acquisition, the acquisition has not had a significant impact on revenue or net income/(loss) of the Company for the period ended July 31, 2024. If this acquisition had occurred on February 1, 2024, the Company estimates that pro-forma consolidated revenue and pro-forma consolidated loss would have been $99,659,753 and $1,459,390 respectively, compared to the actual amounts reported in the Condensed Consolidated Interim Statements of Comprehensive Profit (Loss) for the six months period ended July 31, 2024.