

**INTELLBRIDGE TECHNOLOGY CORP.**

CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2021 AND 2020

(Unaudited)

(Expressed in US Dollars)

# INTELLBRIDGE TECHNOLOGY CORP.

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**INTELLBRIDGE TECHNOLOGY CORP.**Condensed Consolidated Interim Statements of Financial Position  
(Expressed in US Dollars)

	Notes	September 30, 2021 (Unaudited)	December 31, 2020 (Audited)
<b>ASSETS</b>			
Cash		\$ 5,926,312	\$ 7,026
Receivables	3	11,203	9,045
Prepays and deposits		21,455	10,049
Digital currencies	4	1,220,115	1,146
Assets held-for-sale	5	305,209	305,209
		<u>7,484,294</u>	<u>332,475</u>
Property and equipment	5	-	719
		<u>\$ 7,484,294</u>	<u>\$ 333,194</u>
<b>LIABILITIES</b>			
Trade payables and accrued liabilities	6 and 8	\$ 69,766	\$ 168,840
Due to related parties	8	75,079	355,029
		<u>144,845</u>	<u>523,869</u>
<b>SHAREHOLDERS' EQUITY (DEFICIT)</b>			
Share capital	7	16,903,383	7,262,188
Reserve	7	858,052	857,572
Accumulated other comprehensive loss		180,973	(55,300)
Deficit		(10,602,960)	(8,255,135)
		<u>7,339,449</u>	<u>(190,675)</u>
		<u>\$ 7,484,294</u>	<u>\$ 333,194</u>

Nature of operations (Note 1)  
Subsequent event (Note 12)

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

## INTELLABRIDGE TECHNOLOGY CORP.

Condensed Consolidated Interim Statement of Changes in Equity (Deficit)

For the six months ended September 30, 2021 and 2020

(Expressed in US Dollars)

(Unaudited)

	Note	Share Capital			Accumulated other comprehensive loss	Deficit	Total shareholders' equity (deficiency)
		Number of shares	Amount	Reserve			
<b>Balance at December 31, 2019</b>		<b>56,471,844</b>	<b>\$ 7,262,188</b>	<b>\$ 848,907</b>	<b>\$ (56,445)</b>	<b>\$ (7,899,197)</b>	<b>\$ 155,454</b>
Share-based compensation	7	-	-	3,472	-	-	3,472
Net loss for the period		-	-	-	-	(200,471)	(200,471)
Other comprehensive income		-	-	-	7,308	-	7,308
<b>Balance at September 30, 2020</b>		<b>56,471,844</b>	<b>7,262,188</b>	<b>852,379</b>	<b>(49,137)</b>	<b>(8,099,668)</b>	<b>(34,238)</b>
Share-based compensation		-	-	998	-	-	998
Benefit of below-market interest rate loan		-	-	4,195	-	-	4,195
Net loss for the year		-	-	-	-	(155,467)	(155,467)
Other comprehensive loss		-	-	-	(6,163)	-	(6,163)
<b>Balance at December 31, 2020</b>		<b>56,471,844</b>	<b>7,262,188</b>	<b>857,572</b>	<b>(55,300)</b>	<b>(8,255,135)</b>	<b>(190,675)</b>
Share-based compensation	7	-	-	480	-	-	480
Shares issued for cash	7	10,564,517	8,150,504	-	-	-	8,150,504
Shares issued for settlement of debt	7 and 8	4,632,115	2,155,025	-	-	(246,562)	1,908,463
Share issuance costs		-	(711,927)	-	-	-	(711,927)
Exercise of options		100,000	47,593	-	-	-	47,593
Net loss for the period		-	-	-	-	(2,101,262)	(2,101,262)
Other comprehensive income		-	-	-	236,273	-	236,273
<b>Balance at September 30, 2021</b>		<b>71,768,476</b>	<b>\$ 16,903,383</b>	<b>\$ 858,052</b>	<b>\$ 180,973</b>	<b>\$ (10,602,959)</b>	<b>\$ 7,339,449</b>

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

**INTELLABRIDGE TECHNOLOGY CORP.**

Condensed Consolidated Interim Statement of Loss and Comprehensive Loss

For the three and six months ended September 30, 2021 and 2020

(Expressed in US Dollars)

(Unaudited)

	Note	Three months ended September 30		Nine months ended September 30	
		2021	2020	2021	2020
Sales of product and services		-	\$21,580	-	\$103,479
Cost of sales		-	18,379	-	53,053
<b>GROSS PROFIT</b>		-	3,201	-	50,426
<b>Operating expenses</b>					
Advertising and marketing		99,794	1,116	107,234	4,187
Amortization	9	-	761	719	12,184
Research and development		145,948	-	216,911	-
Depreciation on right-of-use asset		-	-	-	2,799
Bank charges		2,385	1,482	5,705	5,122
Exchange fees		10,051		10,051	
Consulting fees		-	471	-	897
Management fees and salaries	8	45,520	45,619	136,527	150,713
Office and administration		10,889	5,320	29,614	33,927
Professional fees		22,144	5,694	102,716	24,844
Regulatory and transfer agent fees		1,781	9,020	21,285	20,671
Rent and utilities		300	227	300	4,337
Share-based compensation	7	-	976	480	3,472
Travel		9,178	14	13,110	2,358
		347,990	70,700	644,652	265,511
<b>NET LOSS BEFORE OTHER ITEMS</b>		(347,990)	(67,499)	(644,652)	(215,085)
<b>OTHER ITEMS</b>					
Interest and other income		-	-	10,956	3,960
Recovery of bad debt		-	-	-	10,650
Loss on settlement of debt	7	-	-	(1,468,229)	-
Gain on revaluation of digital currencies	9	(2,157)	-	663	4
		(2,157)	-	(1,456,610)	14,614
<b>NET LOSS FOR THE PERIOD</b>		(350,147)	(67,499)	(2,101,262)	(200,471)
Other comprehensive loss that may be reclassified to profit and loss:					
Unrealized gain (loss) on revaluation of digital currencies		244,180		244,180	
Unrealized foreign exchange gain		(11,620)	(1,863)	(7,906)	7,308
<b>COMPREHENSIVE LOSS FOR THE PERIOD</b>		(117,587)	\$ (69,362)	(1,864,988)	\$ (193,163)
<b>Loss per common share - basic and diluted</b>		(0.00)	(0.00)	(0.03)	(0.00)
<b>Weighted average number of shares outstanding - basic and diluted</b>		71,768,476	56,471,844	71,768,476	56,471,844

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

## INTELLABRIDGE TECHNOLOGY CORP.

Condensed Consolidated Interim Statements of Cash Flows  
For the six months ended September 30, 2021 and 2020  
(Expressed in US Dollars)  
(Unaudited)

	For the nine months ended September 30, 2021	For the nine months ended September 30, 2020
<b>Cash provided by (used in):</b>		
<b>Operating:</b>		
Net loss for the period	\$ (2,101,262)	\$ (200,471)
Items not involving cash:		
Amortization	719	12,184
Depreciation of right-of-use asset	-	2,799
Interest on lease liability	-	37
Gain on revaluation of digital currencies	(663)	(4)
Loss on settlement of debt	1,468,229	-
Accrued interest on convertible loan receivable	-	(1,321)
Share-based compensation	480	3,472
	<u>(632,497)</u>	<u>(183,304)</u>
Changes in non-cash operating working capital items:		
Receivables	(2,160)	(31,667)
Prepaid expenses and deposits	(11,407)	(6,795)
Accounts payable and accrued liabilities	(15,079)	(13,321)
Due to related parties	76,290	120,389
	<u>(584,853)</u>	<u>(114,698)</u>
<b>Investing</b>		
Inventory of cryptocurrencies	(974,125)-	(317)
Proceeds from sale of Convertible Debenture	-	69,621
	<u>(974,125)-</u>	<u>69,304</u>
<b>Financing</b>		
Lease payments, cash	-	(2,977)
SBA Loan	-	10,000
Proceeds from issuance of shares, net	8,150,504	-
Share issuance costs	(711,927)	-
Proceeds from option exercise	47,593	-
	<u>7,486,170</u>	<u>7,023</u>
Effect of foreign exchange on cash flows	(7,906)	13,603
Change in cash during the period	5,919,286	(24,768)
Cash, beginning of period	7,026	20,988
<b>Cash, end of period</b>	<b>\$ 5,926,312</b>	<b>\$ (3,780)</b>

### Supplemental cash flow information

During the nine months period ended September 30, 2021, the Company recognized a charge to deficit of \$1,468,229 for the loss on settlement of amounts due to related parties (Note 7). This non-cash item is disclosed in the statement.

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

# INTELLABRIDGE TECHNOLOGY CORP.

Notes to Condensed Consolidated Interim Financial Statements

For the nine months ended September 30, 2021 and 2020

(Expressed in US Dollars)

(Unaudited)

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## 1. NATURE OF OPERATIONS

Intellabridge Technology Corp. (the “Company” or “Intellabridge”) was incorporated on June 24, 1986 under the laws of British Columbia. The Company’s shares trade on the Canadian Securities Exchange (“CSE”) under the symbol INTL.

The Company’s head office, principal address and records office is 2060 Broadway Suite B1, Boulder, Colorado, 80302. The registered office is Suite 1500-1055 West Georgia Street, PO Box 11117, Vancouver, BC V6E 4N7.

Intellabridge is a technology-based company developing block-chain solutions for a variety of sectors including financial technology, marketplaces and virtual reality social networks. The Company is also exploring the application of blockchain technologies to other sectors such as a real estate, healthcare and telecommunication.

As at September 30, 2021, the Company has an accumulated deficit of \$10,602,960 including a loss for the nine months ended September 30, 2021 of \$1,864,988 (2020 - \$193,163). \$1,468,229 of the net loss for the period ended September, 2021 was due to loss on settlement of debt with related parties, which is a non-cash transaction and not a cash expenditure. These condensed consolidated interim financial statements do not include any adjustments relating to the recoverability and classification of assets and liabilities which might be necessary should the Company be unable to continue in existence.

In March 2020, the World Health Organization declared coronavirus COVID-19 a global pandemic. This contagious disease outbreak, which has continued to spread, and any related adverse public health developments, has adversely affected workforces, economies, and financial markets globally, potentially leading to an economic downturn. While the impact of COVID-19 is expected to be temporary, the current circumstances are dynamic and the impacts of COVID-19 on business operations cannot be reasonably estimated at this time. There can be no assurance that the Company will not be impacted by adverse consequences that may be brought about by the pandemic’s impact on its business, results of operations, financial position and cash flows in the future.

## 2. BASIS OF PRESENTATION

### Statement of compliance to International Financial Reporting Standards (“IFRS”)

These condensed consolidated interim financial statements, including comparatives, have been prepared in accordance with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”) and Interpretations issued by the International Financial Reporting Interpretations Committee (“IFRIC”). Therefore, these financial statements comply with International Accounting Standard (“IAS”) 34 “Interim Financial Reporting”.

This interim financial report does not include all of the information required of a full annual financial report and is intended to provide users with an update in relation to events and transactions that are significant to an understanding of the changes in financial position and performance of the Company since the end of the last annual reporting period. It is therefore recommended that this financial report be read in conjunction with the annual financial statements of the Company for the year ended December 31, 2020.

The financial statements were authorized for issue on November 29, 2021 by the directors of the Company.

## INTELLBRIDGE TECHNOLOGY CORP.

Notes to Condensed Consolidated Interim Financial Statements  
For the nine months ended September 30, 2021 and 2020  
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### 2. BASIS OF PRESENTATION (cont'd)

#### ***Basis of presentation and consolidation***

These financial statements have been prepared on a going concern basis which assumes that the Company will be able to realize its assets and discharge its liabilities in the normal course of business for the foreseeable future. The continuing operations of the Company are dependent upon its ability to continue its projected growth and to be able to implement its business plans and strategies. Given the volatile nature of the industry in which it operates, the Company is subject to risks and uncertainties that may adversely impact future operating results and cash flows. These uncertainties may cast significant doubt upon the Company's ability to continue as a going concern.

The condensed consolidated interim financial statements of the Company have been prepared on an accrual basis, except for cash flow information, and are based on historical costs, modified where applicable related to the valuation of certain financial assets and financial liabilities at fair value.

The condensed consolidated interim financial statements are presented in US dollars.

#### ***Subsidiaries***

In addition to the Company, the condensed consolidated interim financial statements include all subsidiaries. Subsidiaries are all corporations over which the Company is able directly or indirectly, to control financial and operational policies, which is the authority usually connected with holding majority voting rights. Subsidiaries are fully consolidated from the date on which control is acquired by the Company. They are de-consolidated from the date that control by the Company ceases.

The subsidiaries of the Company are as follows:

	Country of incorporation	Percentage owned		Functional currency
		September 30, 2021	December 31, 2020	
ChargaCard Inc.	United States	100%	100%	USD
Cryptanite Ltd.	Malta	100%	100%	EURO
Intellabridge LLC.	Ukraine	100%	100%	UAH

#### ***Consolidation***

Assets, liabilities, revenues and expenses of the subsidiaries are recognized in accordance with the Company's accounting policies. Inter-company balances and transactions, including unrealized income and expenses arising from inter-company transactions, are eliminated on consolidation.

### 3. RECEIVABLES

	September 30, 2021	December 31, 2020
Goods and services input tax credits	\$ 10,254	\$ 7,774
Other receivables	949	1,271
	\$ 11,203	\$ 9,045



## **INTELLBRIDGE TECHNOLOGY CORP.**

Notes to Condensed Consolidated Interim Financial Statements

For the nine months ended September 30, 2021 and 2020

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### **4. DIGITAL CURRENCIES**

On June 22, 2021 the Company signed the License, Support and Maintenance Agreement with Baanx Group Limited. Pursuant to the agreement Baanx purchased Terra's native blockchain token "Luna" cryptocurrency which is held by the Company for its Proof of Stake (POS) software mining staking business which provides technical support to the Terra blockchain network. As at September 30, 2021, the Company held various digital currencies with a fair value of \$1,220,115 (December 31, 2020 - \$1,146), including the fair value of Terra Luna – \$1,184,761. The quantity of Terra Luna coins as of September 30, 2021 equals 31,384.27. Coins are recorded at their fair value on the date they are received as revenues and are revalued at their current market value at each reporting date. Fair value is determined by taking the closing price listed on "coinmarketcap.com" at the reporting dates.

During the nine-month ended September 30, 2021 the Company converted Luna coins to purchase Terra UST for testing purposes on the test version of Kash application. As of September 30, 2021 the Company owned 2,994.98 units of UST with a fair value of \$2,994.98.

During the nine months ended September 30, 2021, the Company recorded a realized revaluation gain of \$663 (September 30, 2020 - \$4) on digital currencies. Unrealized revaluation gain of Terra Luna for the nine months ended September 30, 2021 equals \$244,180, this is recorded as a part of other comprehensive income.

### **5. PROPERTY AND EQUIPMENT**

- (a) During the year ended December 31, 2018, the Company acquired title to a facility located in Nederland, Colorado. This facility was to be used as a data center for its previous cryptocurrency mining operations. As at December 31, 2020, the facility remained vacant and was not used in operations. As at September 30, 2021 and December 31, 2020, the carrying value of the facility of \$305,209 has been presented as assets held-for-sale, following management's decision to offer the facility for sale. Management continues an active program to dispose of the facility.
- (b) On July 15, 2019, the Company entered into a sublease agreement for office rental space premises located in Kyiv, Ukraine, expiring on September 30, 2019 in exchange for a monthly rent of US \$5,000 exclusive of sales taxes. Effective October 1, 2019, the Company reduced its office rental space in Kyiv and renewed its sublease for an additional five-month period. Under the terms of the new sublease agreement, the Company paid a monthly office rent of US \$2,500 plus applicable sales taxes. The lease agreement expired on February 28, 2020.

On January 1, 2019, the Company adopted IFRS 16 and recognized a lease liability and right-of-use ("ROU") asset of \$20,268 in relation to its office sublease, which had previously been classified as an operating lease. Under the principles of the new standard, this sublease was measured as the lease liability at the present value of the remaining lease payments, discounted using the Company's incremental borrowing rate estimated at 10% per annum.

The associated right-of-use asset was measured at the amount equal to the lease liability on January 1, 2019. The right-of-use asset has been subsequently depreciated from the commencement date to the end of the lease term on a straight-line basis.

**INTELLBRIDGE TECHNOLOGY CORP.**

Notes to Condensed Consolidated Interim Financial Statements

For the nine months ended September 30, 2021 and 2020

(Expressed in US Dollars)

**5. PROPERTY AND EQUIPMENT (cont'd)**

	Furniture and Equipment	Computer Equipment	Other Assets	ROU Asset	Total
<b>Cost:</b>					
At December 31, 2019	\$ 6,170	\$ 55,017	\$ 2,431	\$ 20,268	\$ 83,886
Sales and disposal	-	(3,074)	-	-	(3,074)
<b>At December 31, 2020 and September 30, 2021</b>	<b>\$ 6,170</b>	<b>\$ 51,943</b>	<b>\$ 2,431</b>	<b>\$ 20,268</b>	<b>\$ 80,812</b>
<b>Depreciation and impairment:</b>					
At December 31, 2019	\$ 3,625	\$ 44,105	\$ 2,431	\$ 17,372	\$ 67,534
Amortization	1,825	10,912	-	2,799	15,536
Sales and disposal	-	(3,074)	-	-	(3,074)
Foreign exchange	-	-	-	97	97
At December 31, 2020	5,451	51,943	2,431	20,268	80,093
Amortization	719	-	-	-	719
<b>At September 30, 2021</b>	<b>\$ 6,170</b>	<b>\$ 51,943</b>	<b>\$ 2,431</b>	<b>\$ 20,268</b>	<b>\$ 80,812</b>
<b>Net book value:</b>					
At December 31, 2020	\$ 719	\$ -	\$ -	\$ -	\$ 719
<b>At September 30, 2021</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

## INTELLBRIDGE TECHNOLOGY CORP.

Notes to Condensed Consolidated Interim Financial Statements  
For the nine months ended September 30, 2021 and 2020  
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(Unaudited)

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### 6. TRADE PAYABLES AND ACCRUED LIABILITIES

	September 30, 2021		December 31, 2020	
Trade payables (Note 8)	\$	52,141	\$	151,805
Accrued liabilities		17,625		17,305
	\$	69,766	\$	168,840

### 7. SHARE CAPITAL

#### (a) Authorized

Unlimited number of common shares without par value.

#### (b) Issued

Nine months ended September 30, 2021:

- a) The Company completed a non-brokered private placement of 2,500,000 units at a price of CAD \$0.15 per share for total gross proceeds of \$295,044 (CAD \$375,000). Each unit consists of one common share and one common share purchase warrant. Each warrant is exercisable to acquire one common share of the Company at a price of CAD \$0.45 per share over a period of two years from date of issue. The warrants are subject to an acceleration clause that if after the first six months following the closing date, the volume-weighted average trading price of the common shares on the CSE is equal to or greater than CAD \$0.52 for any consecutive-trading-day period, the Company may, upon providing written notice to the holder of warrants, accelerate the expiry date of the warrants to the date that is 30 days following the date of such written notice.
- b) A total of 4,499,990 common shares have been issued to settle \$356,239 (CAD \$450,035) in debt due to related parties (Note 8), of which \$341,774 was recorded in due to related parties at December 31, 2020. The 4,499,990 common shares were issued at a fair value of \$2,071,030. The Company recognized a loss on settlement of debt of \$1,468,229 in the condensed consolidated statement of loss and comprehensive loss and a charge to deficit of \$246,562. This is a non-cash transaction and not a cash expenditure.
- c) On July 20, 2021, the Company completed a private placement of 8,064,517 units at a price of CAD 1.24 for total gross proceeds of \$7,855,460 (CAD \$10,000,001). Each unit consists of one common share and one common share purchase warrant. Each warrant entitles the holder to purchase one common share at an exercise price of CAD\$1.55 per Common Share for a period of three years following the issuance date. H.C. Wainwright & Co. acted as the exclusive placement agent for the Private Placement. H.C. Wainwright & Co. received a cash commission equal to 7.5% of the gross proceeds of the Private Placement and 604,838 non-transferable broker warrants. Each Broker Warrant entitles the holder to purchase one common share at an exercise price of CAD\$1.55 for a period of three years following the issuance date.

The Company recorded \$711,927 of share issuance costs resulting from the operation.

- d) On June 4, 2021, the Company entered into a consultancy agreement with North Equities at the scheduled value CAD \$100,000 plus GST. The payment was settled as debt for shares with the value per share being the closing price of the Company on the CSE on the effective date. On August 1, 2021 the Company issued 84,00 common shares at a price of CAD \$0.79 and August 16, 48,125 common shares were issued for a total consideration of CAD \$105,000.

## INTELLBRIDGE TECHNOLOGY CORP.

Notes to Condensed Consolidated Interim Financial Statements  
For the nine months ended September 30, 2021 and 2020  
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### 7. SHARE CAPITAL (cont'd)

- e) On September 1, 2021 the Company exercised 100,00 of stock options of Keith Turner with exercise price CAD 0.60.

There were no transactions affecting share capital during the year ended December 31, 2020.

(c) Escrow shares

17,648,600 common shares issued to the principals of the Company are subject to escrow conditions required by applicable securities laws and the CSE requirements. Pursuant to the terms of the escrow agreements, 10% of the escrowed shares were released from escrow on March 7, 2018 and 15% were released from escrow every six months over a period of 36 months until March 7, 2021. As at September 30, 2021, Nil (December 31, 2020 – 2,647,290) common shares remained in escrow.

In addition, 2,750,000 common shares have a restrictive resale legend and were subject to an 18-month voluntary hold period with 10% of shares being released four, eight and twelve months from the CSE listing date, and 35% released every three months thereafter.

(d) Stock options and warrants

The Company maintains a 10% rolling share option plan (the “Plan”) that enables management to grant options to directors, officers, employees and other service providers. The Company follows the CSE policies where the number of common shares which may be issued pursuant to options granted under the Plan may not exceed 10% of the issued and outstanding shares of the Company from time to time at the date of granting of options and have a maximum of 10 years. Each option agreement with the grantee sets forth, among other things, the number of options granted, the exercise price and the vesting conditions of the options as determined by the Board of Directors.

Stock option and share purchase warrant transactions are summarized as follows:

	Warrants		Stock Options	
	Number	Weighted Average Exercise Price	Number	Weighted Average Exercise Price
Outstanding, December 31, 2019	-	CAD\$ -	820,000	CAD\$ 0.50
Expired	-	-	(100,000)	CAD\$ 0.60
Outstanding, December 31, 2020	-	CAD\$ -	720,000	CAD\$ 0.49
Issued	3,104,838	CAD\$ 0.66	-	CAD\$ -
Exercised			100,000	CAD\$0.60
Outstanding, September 30, 2021	3,104,838	CAD\$ 0.66	620,000	CAD\$ 0.47
Number currently exercisable	3,104,838	CAD\$ 0.66	620,000	CAD\$ 0.47

As at September 30, 2021, the following were outstanding:

	Expiry Date	Number of Shares	Weighted Average Exercise Price	Weighted Average Period
Warrants	February 17, 2023	2,500,000	CAD\$ 0.45	1.17 years
Stock options	March 12, 2023	620,000	CAD \$ 0.47	1.25 years

## INTELLBRIDGE TECHNOLOGY CORP.

Notes to Condensed Consolidated Interim Financial Statements  
For the nine months ended September 30, 2021 and 2020  
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(Unaudited)

### 7. SHARE CAPITAL (cont'd)

During the nine months ended September 30, 2021, the Company recorded share-based compensation expense of \$480 (2020 - \$3,472) to recognize the fair value of the vested portion of previously granted stock options.

#### (e) Reserve

The reserve records items recognized as share-based compensation expense and other share-based payments until such time that the stock options or warrants are exercised, at which time the corresponding amount will be transferred to share capital.

	Stock options	Finders' warrants	Other	Total
Balance, December 31, 2019	\$ 220,757	\$ 628,150	\$ –	\$ 848,907
Share-based compensation	4,470	–	–	4,470
Benefit of below-market interest rate loan (Note 8)	–	–	4,195	4,195
Balance, December 31, 2020	225,227	628,150	4,195	857,572
Share-based compensation	480	–	–	480
Balance, September 30, 2021	\$ 225,707	\$ 628,150	\$ 4,195	\$ 858,052

### 8. RELATED PARTY TRANSACTIONS

Key management personnel are persons responsible for planning, directing and controlling activities of an entity, and include executive and non-executive directors and officers. During the six months ended September 30, 2021 and 2020, the remuneration of management fees to key personnel were as follows:

September 30,	2021	2020
Chief Executive Officer <sup>(a)</sup> (CEO)	\$ 69,027	\$ 81,941
Chief Operating Officer <sup>(b)</sup> (COO)	67,500	68,772
Chief Technology Officer <sup>(c)</sup> (CTO)	-	-
Total	\$ 136,527	\$ 150,713

- (a) During the nine months ended September 30, 2021, the Company paid or accrued salary of \$69,027 (2020 - \$81,941) to the CEO and director of the Company.

During the year ended December 31, 2020, the Company entered into a short-term loan arrangement with the CEO for a total of \$51,222. The loan is non-interest bearing and has a one-year repayment term. The Company determined that the rate implicit in the loan is at a market rate of 12% per annum. To September 30, 2021, interest of \$1,460.29 (December 31, 2020 - \$1,448) was not accrued and not included in loan amount, as such amount was determined to be nominal.

During the nine month period ended September 30, 2021, the Company repaid loan and interest of \$47,765. As at September 30, 2021 a total of \$3,457 remains outstanding, excluding interest accrued for the current period.

As at December 31, 2020, a total of \$207,411 was due to the CEO. During the nine month period ended September 30, 2021, a total of \$221,735 was converted to 2,800,940 common shares (Note 7). As at September 30, 2021, a total of \$8,556 is due to the CEO.

## INTELLBRIDGE TECHNOLOGY CORP.

Notes to Condensed Consolidated Interim Financial Statements  
For the nine months ended September 30, 2021 and 2020  
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### 8. RELATED PARTY TRANSACTIONS (cont'd)

- (b) On December 4, 2017, the Company entered into an Operations Management and Product Development Services contract with the COO and director of the Company for provision of management services in exchange for a monthly fee of \$7,500. The contract was for a one-year term with an extension for renewal for an additional year at the end of each year of the contract.

During the nine months ended September 30, 2021, the Company paid or accrued aggregate fees of \$67,500 (2020 - \$69,027) for management services pursuant to the above to the COO.

As at December 31, 2020, \$123,918 was due to the COO. During the nine month period ended September 30, 2021, a total of \$134,504 was converted to 1,699,050 common shares (Note 7). As at September 30, 2021, a total of \$46,552 is due to the COO. This amount is recorded in due to related parties.

- (c) As at September 30, 2021, a total of \$20,000 (December 31, 2020 - \$20,000) was due to the former CTO. This amount is recorded in due to related parties.

#### Other related party transactions and balances

- (a) On March 1, 2018, the Company entered into an administrative agreement with Varshney Capital Corp. ("VCC"), a company controlled by a former common director to provide administrative services to the Company for a period of three years in exchange for a monthly fee of CAD\$10,000 plus applicable taxes. At the end of the service term, the terms of the agreement are automatically renewed on an annual basis until either party provides notice of termination. This agreement was terminated effective March 1, 2020.

During the period ended September 30, 2021, \$36,745 of administrative fees which were due to VCC were fully repaid.

- (b) During the nine months ended September 30, 2021, the Company recognized \$480 (2020 - \$3,472) in share-based compensation for the vested portion of the stock options previously granted to the President of the Company.

On September 1, 2021 the Company exercised 100,00 of stock options of the President with exercise price CAD 0.60.

### 9. SEGMENTED INFORMATION

The Company operates in one industry segment, being development and IT services utilizing its blockchain technologies. For the nine months period ended September 30, 2021, sales of \$Nil (September 30, 2020 - \$103,479) were incurred in this segment.

The Company operates in the following geographic areas and a summary of non-current assets is as follows:

	September, 30, 2021	December 31, 2020
Property and equipment		
Canada	\$ -	\$ -
USA	-	-
Ukraine	-	719
	\$ -	\$ 719

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### 10. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

The Company can be exposed, in varying degrees, to a variety of financial related risks. The type of risk exposure and the way in which such exposure is managed is provided as follows:

#### Credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. The Company's primary exposure to credit risk is on its cash held in bank accounts, which is mainly held with reputable US and Canadian banks. Therefore, credit risk of the Company's cash deposits is assessed as relatively low.

The Company's secondary exposure to credit risk is on its receivables, which consists mainly of trade receivables and refundable government sales taxes. Credit risk related to these receivables is assessed as low.

The Company was exposed to credit risk on its digital currencies that were held on different crypto exchange platforms. Management chooses reliable and legitimate platforms for its crypto transaction to minimize that risk.

#### Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company manages liquidity risk by continuously monitoring cash requirements to ensure that it is able to meet its short term and long-term obligations and operational plans.

As at September 30, 2021, the Company has a working capital of \$7,339,449 (December 31, 2020 - working capital deficiency - \$191,394). Liquidity risk is assessed as low.

#### Market risk

Market risk is the risk of loss that may arise from changes in market factors such as interest rates, foreign exchange rates, and commodity and equity prices.

##### *(a) Interest rate risk*

Interest rate risk is the risk that the value of a financial instrument will change due to a change in the level of interest rates. The Company is exposed to interest rate risk as its bank account earns interest income at variable rates and is subject to the movement in interest rates. Management considers interest rate risk to be minimal.

##### *(b) Foreign currency risk*

The Company and its subsidiaries operate internationally, and during the period were exposed to foreign exchange risk arising from currency fluctuations, primarily with respect to the USD/CAD/EURO and UAH dollar rates.

Management regularly monitors exposure to foreign exchange risks, but does not have a current hedging policy in place.

##### *(c) Price risk*

The Company is exposed to digital currencies price risk due to the volatility of the industry.

## **INTELLBRIDGE TECHNOLOGY CORP.**

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For the nine months ended September 30, 2021 and 2020

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### **11. CAPITAL MANAGEMENT**

The Company manages its capital to maintain its ability to continue as a going concern and to provide returns and benefits to shareholders. The capital structure of the Company consists of equity comprised of issued share capital and any debt that it may issue.

The Company manages its capital structure and makes adjustments to it in light of economic conditions. The Company, upon approval from its Board of Directors, will balance its overall capital structure through new share issues or by undertaking other activities as deemed appropriate under the specific circumstances.

There were no changes in the Company's approach to capital management during the period.

### **12. SUBSEQUENT EVENT**

- a) On October 19, 2021 the Company signed agreement with Hybrid Financial Ltd. for the provision of marketing services to the Company. Hybrid Financial Ltd. has been engaged to heighten market and brand awareness for the Company and to broaden the company's reach within the investment community. The initial period of the contract is 6 months from the start date.
- b) On October 6, 2021 620,000 common shares of the Company were issued as a result of exercised 620,000 stock options. The exercise price of options was CAD \$0.47. The Company received CAD\$ 291,400 proceeds from the options exercise.
- c) The Company currently has 85,000 users on the platform and has signed agreements with several financial technology and banking partners in Europe and North America for the Kash neo-banking integrations (United States ACH and European IBAN accounts) and debit cards.