

**INTELLBRIDGE TECHNOLOGY CORP.**

CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2022 AND 2021

(Unaudited)

(Expressed in US Dollars)

# INTELLABRIDGE TECHNOLOGY CORP.

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

	Notes	September 30, 2022 (Unaudited)	December 31, 2021 (Audited)
<b>ASSETS</b>			
Cash		\$ 3,692,885	\$ 5,080,163
Receivables	3	19,085	19,303
Prepays and deposits		76,035	148,129
Digital currencies	4	121,824	3,004,248
Assets held-for-sale	5		305,209
		<u>3,909,829</u>	<u>8,557,052</u>
Property and equipment	5	4,767	
		<u>\$ 3,914,596</u>	<u>\$ 8,557,052</u>
<b>LIABILITIES</b>			
Trade payables and accrued liabilities	6 and 8	\$ 80,947	\$ 81,855
Due to related parties	8	93,258	59,144
		<u>174,205</u>	<u>140,999</u>
<b>SHAREHOLDERS' EQUITY (DEFICIT)</b>			
Share capital	7	15,513,281	15,485,232
Reserve	7	858,052	858,052
Accumulated other comprehensive loss		1,127,977	1,369,773
Deficit		(13,758,919)	(9,297,004)
		<u>3,740,391</u>	<u>8,416,053</u>
		<u>\$ 3,914,596</u>	<u>\$ 8,557,052</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 nine months ended September 30, 2022 and 2021

(Expressed in US Dollars)

(Unaudited)

	Note	Share Capital		Reserve	Accumulated other comprehensive loss	Deficit	Total shareholders' equity (deficiency)
		Number of shares	Amount				
<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			100,000	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>
Share-based compensation	8	-	-	-	-	-	-
Shares issued for cash	9	-	-	-	-	-	-
Shares issued for settlement of debt	8 and 9	119,000	(1,649,733)	-	-	-	(1,649,733)
Share issuance costs	9	-	-	-	-	-	-
Exercise of options	9	620,000	231,582	-	-	-	231,582
Net loss for the year		-	-	-	-	1,305,955	1,305,955
Other comprehensive income		-	-	-	1,188,800	-	1,188,800
<b>Balance at December 31, 2021</b>		<b>72,507,476</b>	<b>15,485,232</b>	<b>\$ 858,052</b>	<b>1,369,773</b>	<b>(9,297,004)</b>	<b>8,416,053</b>
Shares issued for cash	9	60,000	28,049	-	-	-	28,049
Net loss for the year		-	-	-	-	(4,461,915)	(4,461,915)
Other comprehensive income		-	-	-	(241,796)	-	(241,796)
<b>Balance at September 30, 2022</b>		<b>72,567,476</b>	<b>\$ 15,513,281</b>	<b>\$ 858,052</b>	<b>\$ 1,127,977</b>	<b>\$ (13,758,919)</b>	<b>\$ 3,740,391</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 nine months ended September 30, 2022 and 2021

(Expressed in US Dollars)

(Unaudited)

	Note	Three months ended September 30		Nine months ended September 30	
		2022	2021	2022	2021
Sales	9	\$ -	-	-	-
Cost of services		-	-	-	-
<b>GROSS PROFIT</b>			-	-	
<b>Operating expenses</b>					
Advertising and marketing		12,719	99,794	222,759	107,234
Amortization	5	731	-	1,705	719
Bank charges and fees		1,320	2,385	6,095	5,705
Exchange fees		-	10,051	1,026	10,051
Brokerage fees		766	-	18,209	-
Foreign exchange		(6,032)	-	(6,173)	-
Management fees and salaries	8	53,112	45,520	302,330	136,527
Office and administration		28,129	10,889	170,861	29,614
Professional fees		220,866	22,144	321,281	102,716
Regulatory and transfer agent fees		10,846	1,781	23,744	21,285
Rent and utilities		1,253	300	9,458	300
Research and development		133,051	145,948	596,218	216,911
Share-based compensation	7	-	-	-	480
Travel		13,737	9,178	72,020	13,110
		<b>470,498</b>	<b>347,990</b>	<b>1,739,533</b>	<b>644,652</b>
<b>NET LOSS BEFORE OTHER ITEMS</b>		<b>(470,498)</b>	<b>(347,990)</b>	<b>(1,739,533)</b>	<b>(644,652)</b>
Other items					
Interest and other income		-	-	-	10,956
Loss on settlement of debt	7, 8	-	-	-	(1,468,229)
Gain (Loss) on sale of property & equipment		160,041		160,041	
Gain (Loss) on revaluation of digital currencies	4	(91,711)	(2,157)	(2,882,423)	663
		<b>68,330</b>	<b>(2,157)</b>	<b>(2,722,382)</b>	<b>(1,456,610)</b>
<b>NET LOSS FOR THE PERIOD</b>		<b>(402,168)</b>	<b>(350,147)</b>	<b>(4,461,915)</b>	<b>(2,101,262)</b>
<b>Other comprehensive loss that may be reclassified to profit and loss:</b>					
Unrealized gain (loss) on revaluation of digital currencies			244,180		244,180
Unrealized foreign exchange gain		(117,249)	(11,620)	(241,796)	(7,906)
<b>COMPREHENSIVE LOSS FOR THE PERIOD</b>		<b>(519,417)</b>	<b>(117,587)</b>	<b>(4,703,711)</b>	<b>(1,864,988)</b>
Loss per common share -basic and diluted		\$ (0.00)	(0.00)	(0.06)	(0.03)
Weighted average number of shares outstanding - basic and diluted		<b>72,567,476</b>	<b>71,768,476</b>	<b>72,567,476</b>	<b>71,768,476</b>

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

## INTELLBRIDGE TECHNOLOGY CORP.

Condensed Consolidated Interim Statements of Cash Flows  
For the nine months ended September 30, 2022 and 2021  
(Expressed in US Dollars)  
(Unaudited)

	For the nine months ended September 30, 2022	For the nine months ended September 30, 2021
<b>Cash provided by (used in):</b>		
<b>Operating:</b>		
Net loss for the period	\$ (4,461,915)	\$ (2,101,262)
Items not involving cash:		
Amortization	1,705	719
Gain on sale of PPE	(160,041)	-
Loss on revaluation of digital currencies	2,882,423	(663)
Shares issued for management fees	28,049	-
Loss on settlement of debt	-	1,468,229
Accrued interest on convertible loan receivable	-	-
Share-based compensation	-	480
	<u>(1,709,779)</u>	<u>(632,497)</u>
Changes in non-cash operating working capital items:		
Receivables	218	(2,160)
Prepaid expenses and deposits	72,093	(11,407)
Accounts payable and accrued liabilities	(906)	(15,079)
Due to related parties	34,114	76,290
	<u>(1,604,260)</u>	<u>(584,853)</u>
<b>Investing</b>		
Inventory of cryptocurrencies	-	(974,125)
Acquisition of property and equipment	(6,472)	-
Proceeds from sale of equipment	465,250	-
	<u>458,778</u>	<u>(974,125)</u>
<b>Financing</b>		
Advances from related parties	-	-
Lease payments, cash	-	-
Proceeds from issuance of shares, net	-	8,150,504
Share issuance costs	-	(711,927)
Proceeds from option exercise	-	47,593
	<u>-</u>	<u>7,486,170</u>
Effect of foreign exchange on cash flows	<u>(241,796)</u>	<u>7,906</u>
Change in cash during the period	<u>(1,387,278)</u>	<u>5,919,286</u>
Cash, beginning of period	<u>5,080,163</u>	<u>7,026</u>
<b>Cash, end of period</b>	<b>\$ 3,692,885</b>	<b>\$ 5,926,312</b>

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

# **INTELLBRIDGE TECHNOLOGY CORP.**

Notes to Condensed Consolidated Interim Financial Statements  
For the nine months ended September 30, 2022 and 2021  
(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, 1988 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 financial solutions that give customers access to decentralized financial markets with additional layers of cybersecurity, consumer protection, and customer service. Intellabridge offers users self-custody services to empower them with complete transparency and control over their accounts and data through its Web3 platform. The Kash product features decentralized stablecoins, yield products, and investments, with plans to offer debit and virtual cards with Apple Pay and Google Pay.

In 2020, the Company provided IT services in block-chain and green tech. In Q2 – Q4 of 2021, the Company decided to focus 100% on a decentralized financial application under the new brand name “Kash”, based on its experience building the Cryptanite mobile exchange.

The Company has other proprietary technologies including the ChargaCard, Cryptanite, and BitDropGo application, components of which may be integrated into the “Kash” platform.

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 grow 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.

As at September 30, 2022, the Company has an accumulated deficit of \$13,758,919 including loss for the nine-month period ended September 30, 2022 of \$4,461,915 (2021 – \$1,864,988). These 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

## INTELLABRIDGE TECHNOLOGY CORP.

Notes to Condensed Consolidated Interim Financial Statements  
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### 3. BASIS OF PRESENTATION (cont'd)

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, 2021.

The financial statements were authorized for issue on November 10, 2022 by the directors of the Company.

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

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 and related to the valuation of certain financial assets and financial liabilities to 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:

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	Country of incorporation	Percentage owned		Functional currency
		September 30, 2022	December 31, 2021	
ChargaCard Inc.	United States	100%	100%	USD
Intellabridge LLC.	Ukraine	100%	100%	UAH

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Cryptanite Ltd, which had the jurisdiction of Malta, was "Struck Off as Defunct" effective December 28, 2021. It means the Maltese Business Registry considers the Maltese Company closed or liquidated.

#### ***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.



## INTELLBRIDGE TECHNOLOGY CORP.

Notes to Condensed Consolidated Interim Financial Statements  
For the nine months ended September 30, 2022 and 2021  
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(Unaudited)

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### 3. RECEIVABLES

	September 30, 2022		December 31, 2021
Goods and services input tax credits	\$ 17,938	\$	18,018
Other receivables	1,147		1,285
	<b>\$ 19,085</b>	<b>\$</b>	<b>19,303</b>

### 4. DIGITAL CURRENCIES

As at September 30, 2022, the Company held various digital currencies with a fair value of \$121,824 (December 31, 2021 - \$3,004,248).

During nine months ended September 30, 2022, the Company recorded a revaluation loss of \$(2,882,423) (September 30, 2021 - gain \$663) on digital currencies.

### 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, 2021, the facility remained vacant and was not used in operations. As at December 31, 2021 and 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.

In August 2022 the Company sold the facility located in Nederland, Colorado. The net proceeds from sale equal \$465,250 and the Company realized a gain from asset disposal in the amount of \$160,041.

(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 earlier of 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, 2022 and 2021

(Expressed in US Dollars)

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

		Furniture and Equipment		Computer Equipment		Other Assets		ROU Asset		Total
<b>Cost:</b>										
December 31, 2019	\$	6,170	\$	55,017	\$	2,431	\$	20,268	\$	83,886
Sales and disposal		-		(3,074)		-		-		(3,074)
<b>December 31, 2020</b>	<b>\$</b>	<b>6,170</b>	<b>\$</b>	<b>51,943</b>	<b>\$</b>	<b>2,431</b>	<b>\$</b>	<b>20,268</b>	<b>\$</b>	<b>80,812</b>
<b>At December 31, 2020 and September 30, 2021</b>	<b>\$</b>	<b>6,170</b>	<b>\$</b>	<b>51,943</b>	<b>\$</b>	<b>2,431</b>	<b>\$</b>	<b>20,238</b>	<b>\$</b>	<b>80,812</b>
Increase	\$	1,881	\$	4,591	\$		\$		\$	6,472
<b>September 30, 2022</b>	<b>\$</b>	<b>8,051</b>	<b>\$</b>	<b>56,534</b>	<b>\$</b>	<b>2,431</b>	<b>\$</b>	<b>20,238</b>	<b>\$</b>	<b>87,284</b>
<b>Depreciation and impairment:</b>										
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
December 31, 2020	\$	5,451		51,943		2,431		20,268		80,093
Amortization	\$	719		-		-		-		719
<b>December 31, 2021</b>	<b>\$</b>	<b>6,170</b>	<b>\$</b>	<b>51,943</b>	<b>\$</b>	<b>2,431</b>	<b>\$</b>	<b>20,268</b>	<b>\$</b>	<b>80,812</b>
Amortization	\$	366		1,339		-		-		1,705
<b>September 30, 2022</b>	<b>\$</b>	<b>6,536</b>	<b>\$</b>	<b>53,282</b>	<b>\$</b>	<b>2,431</b>	<b>\$</b>	<b>20,268</b>	<b>\$</b>	<b>82,517</b>
<b>Net book value:</b>										
<b>December 31, 2021</b>	<b>\$</b>	<b>-</b>	<b>\$</b>	<b>-</b>	<b>\$</b>	<b>-</b>	<b>\$</b>	<b>-</b>	<b>\$</b>	<b>-</b>
<b>September 30, 2022</b>	<b>\$</b>	<b>1,515</b>	<b>\$</b>	<b>3,252</b>	<b>\$</b>	<b>-</b>	<b>\$</b>	<b>-</b>	<b>\$</b>	<b>4,767</b>

## INTELLBRIDGE TECHNOLOGY CORP.

Notes to Condensed Consolidated Interim Financial Statements  
For the nine months ended September 30, 2022 and 2021  
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(Unaudited)

### 6. TRADE PAYABLES AND ACCRUED LIABILITIES

	September 30, 2022		December 31, 2021	
Trade payables (Note 8)	\$	79,522	\$	70,815
Accrued liabilities		1,425		11,040
	\$	<b>80,947</b>	\$	<b>81,855</b>

### 7. SHARE CAPITAL

#### (a) Authorized

Unlimited number of common shares without par value.

#### (b) Issued

Nine months ended September 30, 2022:

- The Company issued 60,000 common shares to a director for services rendered, at CAD \$0.59 per share for a total consideration of \$28,049 (CAD \$35,400)

Nine months ended September 30, 2021:

- 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.
- 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) 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% will be released from escrow every six months over a period of 36 months until March 7, 2021. As at September 30, 2022, Nil (December 31, 2021 – Nil) common shares remained in escrow.

In addition, 2,750,000 common shares have a restrictive resale legend and are 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.

## INTELLBRIDGE TECHNOLOGY CORP.

Notes to Condensed Consolidated Interim Financial Statements  
For the nine months ended September 30, 2022 and 2021  
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(Unaudited)

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

#### (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	11,169,355	CAD\$ 1.30	-	CAD\$ -
Exercised	-	CAD\$ -	720,000	CAD\$ 0.60
Outstanding, December 31, 2021	11,169,355	CAD\$ 1.30	-	-
Outstanding, September 30, 2022	11,169,355	CAD\$ 1.30	-	-
Number currently exercisable	11,169,355	CAD\$ 1.30	-	-

As at September, 30, 2022, 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	0.38 years
	July, 20, 2023	8,064,517	CAD\$ 1.55	1.80 years
	July, 20, 2023	604,838	CAD\$ 1.55	1.80 years
Total warrants		11,169,355	CAD\$ 1.30	1.48 years

During the nine months ended September 30, 2022, the Company recorded share-based compensation expense of Nil (nine months ended September 30, 2021 - \$480).

#### (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.

## INTELLBRIDGE TECHNOLOGY CORP.

Notes to Condensed Consolidated Interim Financial Statements

For the nine months ended September 30, 2022 and 2021

(Expressed in US Dollars)

(Unaudited)

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

	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, December 31, 2021	\$ 225,707	\$ 628,150	\$ 4,195	\$ 858,052
Balance, September 30, 2022	\$ 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 nine months ended September 30, 2022 and 2021, the remuneration of management fees to key personnel were as follows:

September 30,	2022	2021
Chief Executive Officer <sup>(a)</sup> (CEO)	\$ 93,886	\$ 69,027
Chief Operating Officer <sup>(b)</sup> (COO)	81,905	67,500
Total	\$ 175,791	\$ 136,527

- (a) During the nine months ended September 30, 2022, the Company paid or accrued salary of \$93,886 (2021 - \$69,027) 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. Accordingly, the Company recorded an initial benefit of the below-market interest rate loan of \$5,488 to the reserve. During the December 31, 2020 year, interest of \$1,448 was accrued and a benefit of \$1,293 was recognized in the statement of loss and comprehensive loss. During the year ended December 31, 2021, the loan was settled through a share issuance (Note 7).

As at September 30, 2022, a total of \$746 (September 30, 2021 - \$8,556) is due to the CEO. This amount is recorded in due to related parties.

- (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. In April 2022, the provision of management services in exchange for a monthly fee for the contract was increased to \$10,000.

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### RELATED PARTY TRANSACTIONS (cont'd)

During the nine months ended September 30, 2022, the Company paid or accrued aggregate fees of \$81,905 (2021 - \$67,500) for management services pursuant to the above to the COO.

As at September 30, 2022, a total of \$72,512 (September 30, 2021 - \$ 46,552) is due to the COO. This amount is recorded in due to related parties.

- (c) As at September 30, 2022, a total of \$20,000 (September 30, 2021 - \$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.

As at June 30, 2021, \$36,745 in administrative fees were due to VCC. During the year ended December 31, 2021, \$35,771 of administrative fees which were due to VCC were fully repaid.

- (b) During the nine months ended September 30, 2022, the Company recognized \$Nil (September 30, 2021 - \$480) in share-based compensation for the vested portion of the stock options previously granted to the President of the Company.
- (c) During the nine months ended September 30, 2022, the Company repaid \$98,807 to the former Director for the 3 years of service as a member of the Board of Directors of the Company (September 30, 2021 - \$Nil).
- (d) During the nine months ended September 30, 2022, the Company issued 60,000 common shares to a Director for services rendered, at CAD \$0.59 per share for a total consideration of \$28,049 (CAD \$35,400) (September 30, 2021 - \$Nil).

## 9. SEGMENTED INFORMATION

The Company operates in one industry segment, being development and IT services, utilizing its blockchain technologies, and telecommunication data services. For the nine-month period ended September 30, 2022, sales of \$Nil (September 30, 2021 - \$Nil) 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, 2022	December 31, 2021
Property and equipment		
Canada	\$ -	\$ -
USA	4,767	-
Ukraine	-	-
	<b>\$ 4,767</b>	<b>\$ -</b>

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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. As at September 30, 2022 and December 31, 2021, the Company retained a minimum balance of digital currencies for testing and development purposes.

#### 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, 2022, the Company has a working capital of \$3,735,624 (December 31, 2021 - working capital deficiency - \$8,416,053). 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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### **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**

In May 2022 during the de-pegging of UST to USD, Prime Trust, Kash's partner licensed financial institution, responsible for customer assets exchange, did not complete the settlement of the transactions for approximately 50 users. Those users had a separate agreement (MSA) with Prime Trust.

While waiting for Prime Trust to complete the settlement, Kash Inc. paid out a refundable amount of \$119,056.00 USD in financial aid to the users who are waiting for Prime Trust to settle the transactions.