

INTELLBRIDGE TECHNOLOGY CORPORATION

CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2023 AND 2022

(Expressed in US Dollars)

(Unaudited)

INTELLABRIDGE TECHNOLOGY CORP.

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NOTICE OF NO AUDITOR REVIEW OF CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

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

The accompanying unaudited condensed interim consolidated financial statements of Intellabridge Technology Corp. (the "Company") have been prepared by and are the responsibility of the Company's management.

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

INTELLBRIDGE TECHNOLOGY CORP.

Condensed Interim Consolidated Statements of Financial Position
(Expressed in US Dollars)

		(Unaudited)	(Audited)
	Note	September 30, 2023	December 31, 2022
ASSETS			
Current			
Cash and cash equivalents		\$ 2,109,049	\$ 3,323,888
Receivables		3,902	3,216
Prepaid expenses		63,295	56,518
Digital currencies	3	11,939	11,348
		2,188,185	3,394,970
Non-current			
Property and equipment		1,844	4,037
Intangible assets	4	589,401	306,213
Total assets		\$ 2,779,430	\$ 3,705,220
LIABILITIES AND SHAREHOLDERS' EQUITY			
Current liabilities			
Accounts payable and accrued liabilities	5	\$ 89,964	\$ 159,547
Due to related parties	6	128,041	119,091
Total liabilities		218,005	278,638
SHAREHOLDERS' EQUITY (DEFICIENCY)			
Share capital	7	17,154,377	17,154,377
Reserves	7	1,024,095	1,024,095
Deficit		(15,385,810)	(14,533,797)
Accumulated other comprehensive loss		(231,237)	(218,093)
		2,561,425	3,426,582
Total liabilities and shareholders' equity (deficiency)		\$ 2,779,430	\$ 3,705,220

Nature of operations and going concern (Note 1)

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

INTELLBRIDGE TECHNOLOGY CORP.

Condensed Interim Consolidated Statements of Loss and Comprehensive Loss

(Expressed in US Dollars)

(Unaudited)

	Note	Three months ended September 30,		Nine months ended September 30,	
		2023	2022	2023	2022
Revenue	8	\$ -	\$ -	\$ -	\$ -
Operating expenses					
Advertising and marketing		73,372	12,719	147,162	222,759
Bank charges and fees		3,711	1,320	9,539	6,093
Brokerage fees		-	766	-	18,209
Depreciation		731	731	2,193	1,705
Exchange fees		-	-	-	1,026
Foreign exchange		-	(6,032)	-	(6,173)
Management fees and salaries	6	66,138	53,112	198,413	302,330
Office and administration		82,787	28,129	254,696	170,861
Professional fees		47,452	220,866	196,692	321,281
Regulatory and transfer agent fees		2,056	10,846	5,025	23,744
Rent and utilities		3,583	1,253	13,309	9,458
Research and development	4	-	133,051	-	596,218
Travel		11,227	13,737	25,618	72,020
		291,057	470,498	852,647	1,739,531
Net Loss Before Other Items		(291,057)	(470,498)	(852,647)	(1,739,531)
Other items					
Realized loss on digital currency transactions	3	-	-	-	(8,383)
Gain on sale of assets held for sale		-	160,041	-	160,041
Gain (loss) on revaluation of digital currencies	3	(4,400)	(91,711)	634	(2,874,041)
		(4,400)	68,330	634	(2,722,383)
NET LOSS		\$ (295,457)	\$ (402,168)	\$ (852,013)	\$ (4,461,914)
Other comprehensive loss that may be reclassified to profit and loss in the future:					
Unrealized foreign exchange loss		(53,927)	(117,249)	(13,144)	(241,796)
COMPREHENSIVE LOSS		\$ (349,384)	\$ (519,417)	\$ (865,157)	\$ (4,703,710)
Loss per common share - basic and diluted		\$ (0.00)	\$ (0.01)	\$ (0.01)	\$ (0.06)
Weighted average number of shares outstanding - basic and diluted		72,567,476	72,567,476	72,567,476	72,545,498

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

INTELLABRIDGE TECHNOLOGY CORP.

Condensed Interim Consolidated Statements of Changes in Shareholders' Equity (Deficiency)

(Expressed in US Dollars)

(Unaudited)

	Note	Number of shares	Share capital	Reserves	Deficit	Accumulated other comprehensive income (loss)	Total
Balance as at December 31, 2021		72,507,476	\$ 17,126,329	\$ 987,196	\$ (11,067,245)	\$ 1,369,773	\$ 8,416,053
Net loss and other comprehensive loss		-	-	-	(4,461,914)	(241,796)	(4,703,710)
Shares issued for services	6	60,000	28,048	-	-	-	28,048
Balance as at September 30, 2022		72,567,476	\$ 17,154,377	\$ 987,196	\$ (15,529,159)	\$ 1,127,977	\$ 3,740,391
Balance as at December 31, 2022		72,567,476	\$ 17,154,377	\$ 1,024,095	\$ (14,533,797)	\$ (218,093)	\$ 3,426,582
Net loss and other comprehensive loss		-	-	-	(852,013)	(13,144)	(865,157)
Balance as at September 30, 2023		72,567,476	\$ 17,154,377	\$ 1,024,095	\$ (15,385,810)	\$ (231,237)	\$ 2,561,425

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

INTELLABRIDGE TECHNOLOGY CORP.

Condensed Interim Consolidated Statements of Cash Flows
(Expressed in US Dollars)
(Unaudited)

	Note	Nine months ended September 30,	
		2023	2022
OPERATING ACTIVITIES			
Net loss		\$ (852,013)	\$ (4,461,914)
Adjustments to reconcile net loss to cash flow from operations:			
Depreciation		2,193	1,705
Gain on sale of assets held for sale		-	(160,041)
Realized gain on cryptocurrencies	3	-	8,383
Loss on revaluation of digital currencies	3	(634)	2,874,041
Share-based compensation and expenses	6,7	-	28,048
Cash used in operating activities before the following:		(850,454)	(1,709,778)
Net change in non-cash working capital related to operations:			
Receivables		(687)	218
Prepaid expenses		(6,777)	72,093
Accounts payable and accrued liabilities		(69,582)	(907)
Due to related parties		8,950	34,114
Cash used in operating activities		(918,550)	(1,604,260)
INVESTING ACTIVITIES			
Purchases of property and equipment		-	(6,472)
Proceeds from sale of equipment		-	465,250
Capitalization of intangible assets	4	(283,188)	-
Cash generated by (used in) investing activities		(283,188)	458,778
Foreign currency translation adjustment		(13,101)	(241,796)
Net change in cash		\$ (1,214,839)	\$ (1,387,278)
Cash, beginning of period		\$ 3,323,888	\$ 5,080,163
Cash, end of period		\$ 2,109,049	\$ 3,692,885

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

INTELLABRIDGE TECHNOLOGY CORP.

Notes to the Condensed Interim Consolidated Financial Statements

For the Nine Months Ended September 30, 2023 and 2022

(Expressed in US Dollars)

(Unaudited)

1. NATURE OF OPERATIONS AND GOING CONCERN

Intellabridge Technology Corp. (the “Company” or “Intellabridge”) was incorporated on September 24, 1988 under the laws of British Columbia. The Company’s shares trade on the Canadian Securities Exchange (“CSE”) under the symbol KASH, the OTCQB under the symbol KASHF, and the Frankfurt Stock Exchange under the symbol KASH. The Company’s head office, principal address and records office is, Boulder Office Center, Suite 101, 4845 Pearl East Circle, Boulder, Colorado, 80301, United States of America. The registered office is Suite 1500-1055 West Georgia Street, PO Box 11117, Vancouver, BC V6E 4N7, Canada.

Intellabridge is a financial technology company in the business of impact finance, with a mission to make every financial transaction have a positive impact. Intellabridge’s Karma Card allows customers to generate cashback from financial transactions, which can then be donated to charitable organizations that support The Sustainable Development Goals adopted in 2015 by the United Nations. Intellabridge offers cashback debit cards with Apple Pay and Google Pay and automated donation systems to its customers.

The Company has other proprietary technologies including the ChargaCard and BitDropGo applications, components of which may be integrated into its future platform development.

Going concern

These condensed interim consolidated financial statements for the nine months ended September 30, 2023 and 2022 (“Financial Statements”) have been prepared using International Financial Reporting Standards (“IFRS”) applicable to a going concern, which contemplates the realization of assets and settlement of liabilities in the normal course of business as they come due. 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, 2023, the Company has an accumulated deficit of \$15.4 million, including a loss for the nine months ended September 30, 2023 of \$0.9 million. Should the Company be unable to continue as a going concern, it may be unable to realize the carrying value of its assets and to meet its liabilities as they come due. These Financial Statements do not reflect adjustments to the carrying values of assets and liabilities and the reported expenses and balance sheet classifications that would be necessary if the Company were unable to realize its assets and settle its liabilities as a going concern in the normal course of operation. These adjustments could be material.

2. BASIS OF PRESENTATION

Statement of compliance

These Financial Statements have been prepared in accordance with International Accounting Standard (“IAS”) 34 Interim Financial Reporting as issued by the International Accounting Standards Board (“IASB”).

These Financial Statements were authorized for issue on November 29, 2023 by the directors of the Company.

Basis of presentation

These Financial Statements have been prepared under the historical cost convention, except for financial instruments classified as financial instruments at fair value through profit and loss, which are stated at their fair value, and are expressed in United States dollars unless otherwise indicated. Other measurement bases used are detailed in the Company’s annual consolidated financial statements (“Annual Financial Statements”).

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Notes to the Condensed Interim Consolidated Financial Statements
For the Nine Months Ended September 30, 2023 and 2022
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(Unaudited)

The notes presented in these Financial Statements include only significant events and transactions occurring since the Company's last fiscal year end and are not fully inclusive of all matters required to be disclosed by IFRS in the Company's annual consolidated financial statements. As a result, these Financial Statements should be read in conjunction with the Annual Financial Statements.

These Financial Statements follow the same accounting policies and methods of application as the most recent Annual Financial Statements.

3. DIGITAL CURRENCIES

	Digital currencies
Balance as at December 31, 2021	\$ 3,004,248
Loss on sale	(8,383)
Loss on revaluation	(2,874,041)
Balance as at September 30, 2022	\$ 121,824
Balance as at December 31, 2022	\$ 11,348
Gain on revaluation	634
Effect of foreign exchange	(43)
Balance as at September 30, 2023	\$ 11,939

4. INTANGIBLE ASSETS

	Intangible assets under development
Balance as at December 31, 2021	\$ -
Balance as at September 30, 2022	\$ -
Balance as at December 31, 2022	\$ 306,213
Increase – internally developed	283,188
Balance as at September 30, 2023	\$ 589,401

During the nine months ended September 30, 2023, the Company capitalized \$283,188 of costs related to the development of Karma Card and Kash as part of intangible assets under development. The analogous costs in the comparative period were expensed as they did not yet meet the criteria for capitalization. As the intangible assets are still under development, no amortization has been recognized.

During the three months ended September 30, 2023, no costs were capitalized to the Kash project and development of the project has been temporarily discontinued. Management will continue to monitor the market and evaluate the feasibility of a successful product launch. Total capitalized costs relating to Kash as of September 30, 2023 are \$252,524. Impairment of these costs may be recorded in the future if it is determined that the project will be abandoned and that the development costs related to Kash will not provide future economic benefits to the Company.

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5. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	September 30, 2023	December 31, 2022
Trade payables	\$ 88,056	\$ 157,998
Accrued liabilities	1,908	1,549
	\$ 89,964	\$ 159,547

6. RELATED PARTY TRANSACTIONS

Compensation of key management personnel ("KMP") ¹	Three months ended September 30,		Nine months ended September 30,	
	2023	2022	2023	2022
Cash compensation	\$ 66,138	\$ 53,195	\$ 199,256	\$ 274,598
Share-based compensation	-	-	-	28,048
Total compensation of KMP	\$ 66,138	\$ 53,195	\$ 199,256	\$ 302,646

¹ KMP consist of those that have the authority and responsibility for planning, directing and controlling the activities of the Company, which includes the most senior executive team (C-suite executives) and the board of directors.

Other related party transactions and balances

- During the three and nine months ended September 30, 2022, the Company recognized and paid \$nil and \$98,725 of management fees to a former Director, Jack Donenfeld, for three years of service as a member of the Board of Directors of the Company, which is included in the table above.
- During the three and nine months ended September 30, 2022, the Company issued nil and 60,000 common shares to a Director for services rendered, at CAD \$0.59 per share for a total consideration of \$28,048 (CAD \$35,400).
- During the three and nine months ended September 30, 2023, the Company paid \$nil and \$30,000 to the two independent members of the board of directors, Lee Fan and Terri Clouse. This remuneration was accrued in December 2022 and included in Due to related parties as of December 31, 2022. Accordingly, the expense is not included in the table above.

7. SHARE CAPITAL

Authorized

Unlimited number of common shares without par value.

Issued

There were no transactions affecting share capital during the nine months ended September 30, 2023. During the nine months ended September 30, 2022, the Company issued 60,000 common shares as remuneration for services as described in Note 6. These shares were valued based on the share price on the date of

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issuance, as this was the most reliable measure of the value of the services provided. The related expense of \$28,048 is included in Management fees and salaries in the Statement of Loss.

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 stipulating that 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 life 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.

There were no outstanding stock options, and no stock option activity, for the periods.

During the nine months ended September 30, 2023 and 2022, the Company recorded share-based compensation expenses relating to stock options and warrants of \$nil.

Share purchase warrant transactions and balances are summarized as follows:

	Number of Warrants	Weighted Average Exercise Price
Outstanding, December 31, 2021	11,169,355	CAD 1.30
Outstanding, September 30, 2022	11,169,355	CAD 1.30
Outstanding, December 31, 2022	11,169,355	CAD 1.30
Expired	(2,500,000)	CAD 0.45
Outstanding and exercisable, September 30, 2023	8,669,355	CAD 1.55

Warrants outstanding as at the end of the periods have the following range of exercise prices and weighted average remaining contractual lives:

Exercise price	September 30, 2023		December 31, 2022	
	Number of warrants	Weighted average contractual life in years	Number of warrants	Weighted average contractual life in years
CAD 0.45	-	-	2,500,000	0.13
CAD 1.55	8,669,355	0.79	8,669,355	1.54
	8,669,355	0.79	11,169,355	1.22

8. SEGMENTED INFORMATION

The Company operates in one industry segment, financial technology. For the nine-month periods ended September 30, 2023 and 2022, revenue of \$nil was earned in this segment. All non-current assets are located in the United States of America.

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Notes to the Condensed Interim Consolidated Financial Statements

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9. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

The Company's current financial instruments include cash, receivables, accounts payable and accrued liabilities, and due to related parties are measured at amortized cost. The carrying values of these instruments approximate their fair value due to their short-term maturities. The Company does not currently hold any non-current financial instruments.

The risks to which the Company is exposed have not changed significantly since the date of the most recent Annual Financial Statements.