

**INTELLBRIDGE TECHNOLOGY CORP.**

CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED JUNE 30, 2023 AND 2022

(Unaudited)

(Expressed in US Dollars)

# 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)
		June 30,	December 31,
	Note	2023	2022
<b>ASSETS</b>			
<b>Current</b>			
Cash and cash equivalents		\$ 2,503,744	\$ 3,323,888
Receivables		5,665	3,216
Prepaid expenses		65,790	56,518
Digital currencies	3	16,588	11,348
		<b>2,591,787</b>	<b>3,394,970</b>
<b>Non-current</b>			
Property and equipment		2,575	4,037
Intangible assets	4	505,048	306,213
		<b>\$ 3,099,410</b>	<b>\$ 3,705,220</b>
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>			
<b>Current liabilities</b>			
Accounts payable and accrued liabilities	5	\$ 65,671	\$ 159,547
Due to related parties	6	122,930	119,091

<b>Total liabilities</b>		<b>188,601</b>	278,638
<b>SHAREHOLDERS' EQUITY (DEFICIENCY)</b>			
Share capital	7	<b>17,154,377</b>	17,154,377
Reserves	7	<b>1,024,095</b>	1,024,095
Deficit		<b>(15,090,353)</b>	(14,533,797)
Accumulated other comprehensive loss		<b>(177,310)</b>	(218,093)
		<b>2,910,809</b>	3,426,582
<b>Total liabilities and shareholders' equity (deficiency)</b>		<b>\$ 3,099,410</b>	\$ 3,705,220

Nature of operations and going concern (Note 1)  
Subsequent events (Note 10)

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 June 30,		Six months ended June 30,	
		2023	2022	2023	2022
Revenue	8	\$ -	\$ -	\$ -	\$ -

<b>Operating expenses</b>					
Advertising and marketing		<b>43,624</b>	93,089	<b>73,790</b>	210,040
Bank charges and fees		<b>3,525</b>	2,480	<b>5,828</b>	4,776
Brokerage fees		-	5,596	-	17,443
Depreciation		<b>731</b>	866	<b>1,462</b>	974
Exchange fees		-	8	-	1,026
Foreign exchange		-	(141)	-	(141)
Management fees and salaries	6	<b>66,137</b>	98,745	<b>132,275</b>	249,218
Office and administration		<b>113,348</b>	91,515	<b>171,909</b>	142,733
Professional fees		<b>94,478</b>	50,039	<b>149,240</b>	100,414
Regulatory and transfer agent fees		<b>1,943</b>	12,898	<b>2,969</b>	12,898
Rent and utilities		<b>4,854</b>	3,655	<b>9,726</b>	8,204
Research and development	4	-	229,553	-	463,166
Travel		<b>7,323</b>	40,580	<b>14,391</b>	58,284
		<b>335,963</b>	628,883	<b>561,590</b>	1,269,035
<b>Net Loss Before Other Items</b>		<b>(335,963)</b>	(628,883)	<b>(561,590)</b>	(1,269,035)
<b>Other items</b>					
Realized loss on digital currency transactions	3	-	(8,383)	-	(8,383)
Gain (loss) on revaluation of digital currencies	3	<b>13,397</b>	(2,624,690)	<b>5,034</b>	(2,782,328)
		<b>13,397</b>	(2,633,074)	<b>5,034</b>	(2,790,711)
<b>NET LOSS</b>		<b>\$ (322,566)</b>	\$ (3,261,957)	<b>\$ (556,556)</b>	\$ (4,059,746)
<b>Other comprehensive income (loss) that may be reclassified to profit and loss in the future:</b>					
Unrealized foreign exchange gain (loss)		<b>54,363</b>	(202,237)	<b>40,783</b>	(124,546)

<b>COMPREHENSIVE LOSS</b>	<b>\$ (268,203)</b>	\$ (3,464,192)	<b>\$ (515,773)</b>	\$ (4,184,292)
Loss per common share - basic and diluted	<b>\$ (0.00)</b>	\$ (0.04)	<b>\$ (0.01)</b>	\$ (0.06)
Weighted average number of shares outstanding - basic and diluted	<b>72,567,476</b>	72,567,476	<b>72,567,476</b>	72,567,476

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)

	N o t e	Number of shares	Share capital	Reserves	Deficit	Accumulated other comprehensive income (loss)	Total
<b>Balance as at December 31, 2021</b>		72,507,476	\$ 17,126,329	\$ 987,196	\$ (11,067,245)	\$ 1,369,773	\$ 8,416,053
Net loss and other comprehensive loss		-	-	-	(4,059,746)	(105,928)	(4,165,674)
Shares issued for services	6	60,000	28,048	-	-	-	28,048
<b>Balance as at June 30, 2022</b>		72,567,476	\$ 17,154,377	\$ 987,196	\$ (15,126,991)	\$ 1,263,845	\$ 4,278,427
<b>Balance as at December 31, 2022</b>		72,567,476	\$ 17,154,377	\$ 1,024,095	\$ (14,533,797)	\$ (218,093)	\$ 3,426,582
Net loss and other comprehensive income		-	-	-	(556,556)	40,783	(515,773)
<b>Balance as at June 30, 2023</b>		72,567,476	\$ 17,154,377	\$ 1,024,095	\$ (15,090,353)	\$ (177,310)	\$ 2,910,809

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)

		Six months ended June 30,	
	Note	2023	2022
<b>OPERATING ACTIVITIES</b>			
Net loss		\$ (556,556)	\$ (4,059,746)
Adjustments to reconcile net loss to cash flow from operations:			
Depreciation		1,462	974
Realized gain on cryptocurrencies	3	-	8,383
Loss on revaluation of digital currencies	3	(5,034)	2,782,328
Share-based compensation and expenses	6,7	-	28,048
Cash used in operating activities before the following:		(560,128)	(1,240,013)
Net change in non-cash working capital related to operations:			
Receivables		(2,449)	(476)
Prepaid expenses		(9,271)	65,170
Accounts payable and accrued liabilities		(93,877)	182,230
Due to related parties		3,839	24,234
<b>Cash used in operating activities</b>		<b>(661,886)</b>	<b>(968,855)</b>
<b>INVESTING ACTIVITIES</b>			
Purchases of property and equipment		-	(6,472)
Capitalization of intangible assets	4	(198,835)	-
<b>Cash used in investing activities</b>		<b>(198,835)</b>	<b>(6,472)</b>
Foreign currency translation adjustment		40,577	(124,546)

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Net change in cash	\$ (820,144)	\$ (1,099,873)
<b>Cash, beginning of period</b>	<b>\$ 3,323,888</b>	<b>\$ 5,080,163</b>
<b>Cash, end of period</b>	<b>\$ 2,503,744</b>	<b>\$ 3,980,290</b>

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

# INTELLBRIDGE TECHNOLOGY CORP.

## Notes to the Condensed Interim Consolidated Financial Statements

For the Six Months Ended June 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 June 24, 1988 under the laws of British Columbia. The Company’s shares trade on the Canadian Securities Exchange (“CSE”) under the symbol KASH. The Company’s head office, principal address and records office is, Boulder Office Centre, 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 customers with cashback debit cards, Apple Pay and Google Pay and automated donation systems.

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 six months ended June 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 June 30, 2023, the Company has an accumulated deficit of \$15.1 million, including a loss for the six months ended June 30, 2023 of \$0.6 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 August 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”). 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.

## INTELLABRIDGE TECHNOLOGY CORP.

Notes to the Condensed Interim Consolidated Financial Statements  
For the Six Months Ended June 30, 2023 and 2022  
(Expressed in US Dollars)  
(Unaudited)

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		(2,782,328)
Effect of foreign exchange		(109,275)
Balance as at June 30, 2022	\$	104,262
Balance as at December 31, 2022	\$	11,348
Gain on revaluation		5,034
Effect of foreign exchange		206
Balance as at June 30, 2023	\$	16,588

### 4. INTANGIBLE ASSETS

	Intangible assets under development	
Balance as at December 31, 2021	\$	-
Balance as at June 30, 2022	\$	-
Balance as at December 31, 2022	\$	306,213
Increase – internally developed		198,835
Balance as at June 30, 2023	\$	505,048

During the six months ended June 30, 2023, the Company capitalized \$198,835 of costs related to the development of Karma Card and Kash as part of intangible assets under development. As the intangible assets are still under development, no amortization has been recognized.

### 5. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	June 30, 2023	December 31, 2022
Trade payables	\$ 63,882	\$ 157,998
Accrued liabilities	1,789	1,549
	\$ 65,671	\$ 159,547

## INTELLBRIDGE TECHNOLOGY CORP.

Notes to the Condensed Interim Consolidated Financial Statements  
For the Six Months Ended June 30, 2023 and 2022  
(Expressed in US Dollars)  
(Unaudited)

### 6. RELATED PARTY TRANSACTIONS

	Three months ended June 30,		Six months ended June 30,	
	2023	2022	2023	2022
Compensation of key management personnel ("KMP") <sup>1</sup>				
Cash compensation	66,980	71,012	133,118	221,403
Share-based compensation	-	28,048	-	28,048
Total compensation of KMP	66,980	99,060	133,118	249,451

<sup>1</sup> 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

- (a) During the three and six months ended June 30, 2022, the Company recognized and paid \$nil and \$98,725 of management fees to a former Director for three years of service as a member of the Board of Directors of the Company, which is included in the table above.
- (b) During the three and six months ended June 30, 2022, the Company issued 60,000 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).
- (c) During the three and six months ended June 30, 2023, the Company paid \$nil and \$30,000 to members of the board of directors. 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 six months ended June 30, 2023. During the six months ended June 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 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.

## INTELLBRIDGE TECHNOLOGY CORP.

### Notes to the Condensed Interim Consolidated Financial Statements

For the Six Months Ended June 30, 2023 and 2022

(Expressed in US Dollars)

(Unaudited)

#### 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 six months ended June 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, June 30, 2022	11,169,355	CAD 1.30
Outstanding, December 31, 2022	<b>11,169,355</b>	<b>CAD 1.30</b>
Expired	<b>(2,500,000)</b>	<b>CAD 0.45</b>
Outstanding and exercisable, June 30, 2023	<b>8,669,355</b>	<b>CAD 1.55</b>

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

Exercise price	June 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	<b>8,669,355</b>	<b>1.04</b>	8,669,355	1.54
	<b>8,669,355</b>	<b>1.04</b>	11,169,355	1.22

## **INTELLBRIDGE TECHNOLOGY CORP.**

### Notes to the Condensed Interim Consolidated Financial Statements

For the Six Months Ended June 30, 2023 and 2022

(Expressed in US Dollars)

(Unaudited)

#### **8. SEGMENTED INFORMATION**

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

#### **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.

#### **10. SUBSEQUENT EVENTS**

The Company launched the Beta version 1.0 of its Karma product in March 2023 and expects to continue in Beta until January 2024. In August 2023 the Company launched Beta version 1.14 and continues acquiring Beta customers.