

Credissential Inc. (formerly Impact Analytics Inc.)
Condensed Interim Consolidated Financial Statements
For the six months ended
December 31, 2024
Unaudited – Prepared by Management
(Expressed in Canadian dollars)

**NOTICE OF NO AUDITOR REVIEW
OF THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS**

The accompanying condensed interim consolidated financial statements of Credissential Inc. (formerly Impact Analytics Inc.). (the "Company") as at December 31, 2024, and for the six months ended December 31, 2024 and December 31, 2023, have been prepared by the management of the Company and approved by the Company's Audit Committee.

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

The accompanying condensed interim consolidated financial statements of 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 CPA Canada for a review of the condensed interim financial statements by an entity's auditor.

Credissential Inc. (formerly Impact Analytics Inc.)
Condensed Interim Consolidated Statements of Financial Position
Unaudited – Prepared by Management

As at December 31, 2024 and June 30, 2024

	Note	December 31, 2024 \$	June 30, 2024 \$
Assets			
Current assets			
Cash		684	195,140
Receivables and prepayments	4	359,505	782,563
		360,189	977,703
Non-current assets			
Investments in private companies	12	181	181
Intangible asset	3,5	1,368,000	-
		1,368,181	181
Total assets		1,728,370	977,884
Liabilities and shareholders' equity			
Current liabilities			
Accounts payable and accrued liabilities		1,383,812	527,288
Accounts payable to related parties	9	160,700	39,615
Promissory notes payable	6	334,852	300,000
Convertible note payable	7	599,000	-
		2,478,364	866,903
Shareholders' equity			
Share capital	8	7,789,492	3,035,464
Reserves	8	4,030,267	64,867
Deficit		(12,569,753)	(2,989,350)
Total shareholders' equity (deficiency)		(749,994)	110,981
Total liabilities and shareholders' equity		1,728,370	977,884
Nature of operations and going concern			
	1		
Events after the reporting period			
	14		

Approved on behalf of the Board of Directors on February 28, 2025:

"Colin Frost"

Director

"Robert Birmingham"

Director

Credissential Inc. (formerly Impact Analytics Inc.)**Condensed Interim Consolidated Statements of Loss and Comprehensive Loss****Unaudited – Prepared by Management****For the three and six months ended December 31, 2024 and December 31, 2023**

	Note	Three months ended		Six months ended	
		December 31,	December 31,	December 31,	December 31,
		2024	2023	2024	2023
		\$	\$	\$	\$
Revenue		-	7,666	-	15,910
Expenses					
Bonus expense	9	-	-	15,000	-
Consulting expense	9	204,084	-	602,639	-
Development expense	11	186,369	-	251,116	-
Director fees	9	24,000	11,000	55,403	11,000
Financing fees		-	-	15,000	-
Finders fees		-	-	316,366	-
General and administrative expense		18,000	40,594	42,403	49,243
Investor relation expense		402,332	8,844	1,181,450	11,694
Interest & bank charges		10,030	31,997	17,655	42,150
Professional fees		217,085	218,819	264,071	252,458
Share-based payments	8	7,314	30,666	4,439,100	34,192
Transaction fees	7	-	-	330,000	-
Travel expense		103,430	-	158,840	-
		(1,172,644)	(341,920)	(7,689,043)	(400,737)
Excess consideration over net assets acquired	3	-	-	(1,844,781)	-
Exchange loss		-	(1,193)	(3,842)	(1,193)
Change in fair value of convertible note	7	(13,889)	-	(42,737)	-
		432,453	52,787	(1,891,360)	(1,193)
Loss and comprehensive loss for the period		(1,186,533)	(343,113)	(9,580,403)	(386,020)
Loss per share					
Weighted average number of common shares outstanding					
- basic		37,251,954	24,871,448	32,316,898	15,671,774
- diluted		37,251,954	24,871,448	32,316,898	15,671,774
Basic loss per common share		(0.03)	(0.01)	(0.30)	(0.02)
Diluted loss per common share		(0.03)	(0.01)	(0.30)	(0.02)

Credissential Inc. (formerly Impact Analytics Inc.)**Condensed Interim Consolidated Statements of Cash Flows****Unaudited – Prepared by Management****For the six months ended December 31, 2024 and December 31, 2023**

	Note	December 31, 2024 \$	December 31, 2023 \$
Operating activities			
Loss for the period		(9,580,403)	(386,020)
Adjustments for:			
Change in fair value of convertible note		42,737	-
Excess consideration over net assets acquired		1,844,781	-
Transaction fees on convertible note		330,000	-
Share-based payments		4,439,100	34,192
Net change in non-cash working capital items	10	1,383,738	(186,784)
		(1,540,047)	(538,612)
Investing activities			
Cash payment on acquisition of Antenna Transfer Inc.	3	(25,000)	-
		(25,000)	-
Financing activities			
Proceeds from issuance of shares	8	-	689,570
Proceeds from convertible note	7	1,040,000	-
Proceeds from exercise of stock options		318,591	-
Proceeds from promissory notes	6	42,000	80,000
Repayment of promissory notes	6	(30,000)	-
Repayment to related party		-	(1,080)
		1,370,591	768,490
Change in cash and cash equivalents		(194,456)	229,878
Cash and cash equivalents, beginning of period		195,140	10,352
Cash and cash equivalents, end of period		684	240,230
Supplemental cash flow information	10		

Credissential Inc. (formerly Impact Analytics Inc.)**Condensed Interim Consolidated Statements of Changes in Shareholders' Equity (Deficiency)****Unaudited – Prepared by Management****For the six months ended December 31, 2024 and December 31, 2023**

	Number of shares	Share capital \$	Reserves \$	Deficit \$	Total \$
June 30, 2023	25,888,400	189,800	-	(186,140)	3,660
Share issued for private placements	1,129,140	689,570	-	-	689,570
Share-based payments	-	-	34,192	-	34,192
Loss and comprehensive loss for the period	-	-	-	(386,020)	(386,020)
December 31, 2023	27,017,540	879,370	34,192	(572,160)	341,402
June 30, 2024	29,603,212	3,035,464	64,867	(2,989,350)	110,981
Issue of common shares - convertible note	2,206,955	793,737	-	-	793,737
Issue of common shares - acquisition of Antenna Transfer Inc.	4,500,000	2,880,000	-	-	2,880,000
Issue of common shares - finders' fee on acquisition of Antenna Transfer Inc	450,000	288,000	-	-	288,000
Exercise of RSUs	405,000	283,500	(283,500)	-	-
Exercise of stock options	513,856	508,791	(190,200)	-	318,591
Re-allocated on fair value reversal of RSUs	-	-	(700,000)	-	(700,000)
Share-based payments	-	-	5,139,100	-	5,139,100
Loss and comprehensive loss for the period	-	-	-	(9,580,403)	(9,580,403)
December 31, 2024	37,679,023	7,789,492	4,030,267	(12,569,753)	(749,994)

Credissential Inc. (formerly Impact Analytics Inc.)

Notes to the Condensed Interim Consolidated Financial Statements

Unaudited – Prepared by Management

For the six months ended December 31, 2024 and December 31, 2023

1. NATURE OF OPERATIONS AND GOING CONCERN

Credissential Inc. (formerly Impact Analytics Inc.) (the "Company") is a corporation incorporated under the Business Corporations Act (Alberta) on January 28, 2020. The registered and head office address of the Company is 210, 2020 – 4 Street SW, Calgary, Alberta, T2S 1W3.

Since the date of incorporation, the Company has issued and closed an Offering Memorandum for its Class A shares (the "Offering"), provided services pursuant to the administration agreement, put in place a management team, a board of directors and retained legal counsel.

The Company listed its shares on the Canadian Securities Exchange (CSE) on August 13, 2020 (Symbol "ACA") and is now identified by the symbol "PACT" following its name change on October 20, 2023 and is now identified by the symbol "WHIP" following its name change to Credissential Inc. on September 18, 2024.

The Company's subsidiary business previously was to sell minority interests in the subsidiaries it forms to arms-length purchasers ("Purchasers"), which allows debt securities of the subsidiaries to be eligible for registered savings plans. A registered savings plan is a registered retirement savings plan, registered education savings plan, registered retirement income fund, a tax-free savings account or other similar registered savings plan. The Purchasers use the capital raised at their own discretion, without reliance on the management or resources of the Company. The Company's management and capital are not committed to these subsidiaries, nor does the Company receive any economic benefit from the operations of the subsidiaries.

On March 18, 2024, the Company described its change of business being to provide risk assessment, data intelligence and financial services platforms powered by AI (artificial intelligence). To this end, the Company is engaged in building a proprietary product stack to optimize and streamline financial decision making for enterprises and individuals. The Company is currently developing three commercial projects: two market entry applications: Credissential, Lana Cash and the PACT platform.

These condensed interim consolidated financial statements ("financial statements") are prepared on the basis that the Company will continue as a going concern, which assumes that the Company will be able to continue in operation for the foreseeable future and will be able to realize its assets and discharge its liabilities and commitments in the normal course of operations. The Company does not have traditional sources of revenue, and historically has relied on advances payable and equity financings to cover its operating expenses. The Company's ability to continue as a going concern depends upon it obtaining additional revenue or securing future equity or debt financing for its working capital and development activities.

As at December 31, 2024, the Company had a working capital deficiency of \$2,118,175 (June 30, 2024 – working capital of \$110,800), and shareholders' deficiency of (\$749,994) (June 30, 2024 – shareholders' equity of \$110,891).

2. MATERIAL ACCOUNTING POLICY INFORMATION

Basis of presentation

These financial statements have been prepared in conformity with International Accounting Standard ("IAS") 34, Interim Financial Reporting, using the same accounting policies as detailed in the Company's annual audited consolidated financial statements for the year ended June 30, 2024, and do not include all the information required for full annual financial statements in accordance with International Financial Reporting Standards ("IFRS"), as issued by the International Accounting Standards Board ("IASB") and interpretations of the International Financial Reporting Interpretations Committee ("IFRIC"). It is suggested that these financial statements be read in conjunction with the annual audited consolidated financial statements.

These financial statements have been prepared on an historical cost basis, except for financial instruments which are classified as fair value through profit or loss ("FVTPL"). In addition, these financial statements have been prepared using the accrual basis of accounting, except for cash flow information.

Functional and presentation currency

All amounts on these financial statements are presented in Canadian dollars which is the functional currency of the Company and its subsidiaries.

Credissential Inc. (formerly Impact Analytics Inc.)**Notes to the Condensed Interim Consolidated Financial Statements****Unaudited – Prepared by Management**

For the six months ended December 31, 2024 and December 31, 2023

2. MATERIAL ACCOUNTING POLICY INFORMATION (continued)**Principles of consolidation**

These financial statements include the financial information of the Company and its subsidiaries.

The financial statements include the following entities:

Credissential Inc.	100%	Parent company
PACT Cloud Ltd.	100%	Holding company
Antenna Transfer Inc (note 3)	100%	Technology company

Subsidiaries are entities controlled by the Company and are included in the financial statements from the date that control commences until the date that control ceases. The accounting policies of subsidiaries are changed where necessary to align them with the policies adopted by the Company. Inter-company balances and transactions, and any unrealized income (loss) and expenses arising from inter-company transactions, are eliminated in preparing the financial statements, the subsidiary is currently inactive.

Material accounting policy information

The accounting policies, estimates and critical judgments, methods of computation and presentation applied in these financial statements are consistent with those of the most recent annual audited financial statements and are those the Company expects to adopt in its annual consolidated financial statements for the year ended June 30, 2025. Accordingly, these financial statements should be read in conjunction with the Company's most recent annual audited consolidated financial statements.

The preparation of financial statements in conformity with IFRS Accounting Standards requires management to make estimates, judgments and assumptions that affect the reported amounts of assets and liabilities as at the date of the financial statements and reported amounts of profit or loss and expenses during each reporting period. Estimates and assumptions are continuously evaluated and are based on management's experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. However, actual outcomes can differ from these estimates.

The information about significant areas of estimation uncertainty considered by management in preparing these financial statements are as follows:

Asset Acquisition

The acquisition of Antenna Transfer Inc. was classified as an asset acquisition, as the acquired entity does not meet the definition of a business under IFRS 3 Business Combinations. The primary asset acquired is the intellectual property (IP) related to a proprietary encrypted platform for secure file sharing and payment processing. The acquisition was accounted for as the purchase of individual assets and liabilities, with no goodwill recognized.

The total consideration transferred has been allocated to the identifiable assets acquired based on their fair values at the acquisition date. The fair value of the IP was determined using a reproduction cost approach, which was considered the most appropriate valuation method given the pre-revenue status of the asset and the absence of reliable cash flow projections.

Intangible Assets – Intellectual Property ("IP")

The acquired IP is recognized as an intangible asset in accordance with IAS 38 (Intangible Assets). The IP is identifiable as it arises from legal rights and is capable of being separated and sold independently of other assets. The IP is initially measured at fair value at the acquisition date and is subsequently carried at cost less any accumulated impairment losses.

Management has assessed that the IP has an indefinite useful life, as there are no foreseeable limits to the period over which it is expected to contribute to the Company's economic benefits. This conclusion is based on the nature of the technology, the Company's commitment to maintain and enhance the platform, and the expected demand for secure file sharing and payment processing solutions.

As the IP has an indefinite useful life, it is not amortized but is subject to annual impairment testing in accordance with IAS 36 (Impairment of Assets), or more frequently if indicators of impairment arise. The recoverable amount is determined as the higher of its fair value less costs of disposal and its value in use.

Credissential Inc. (formerly Impact Analytics Inc.)**Notes to the Condensed Interim Consolidated Financial Statements****Unaudited – Prepared by Management**

For the six months ended December 31, 2024 and December 31, 2023

2. MATERIAL ACCOUNTING POLICY INFORMATION (continued)**Material accounting policy information (continued)**Impairment Testing

The IP was tested for impairment at the reporting date, and no impairment was identified. The key assumptions used in the impairment test included projected market demand, future revenue growth rates, and a discount rate reflective of the risks specific to the IP. These assumptions are based on management's best estimates and are reviewed annually.

Use of Estimates and Judgments

The determination of the fair value of the IP, its classification as an asset with an indefinite useful life, and the assumptions used in impairment testing require significant management judgment and the use of estimates. Changes in these assumptions or in market conditions could result in material adjustments to the carrying amount of the IP in future periods.

Valuation of equity consideration granted

The valuation of share consideration granted involves management judgment in determining the valuation of the share consideration granted. Judgment is exercised in the reliability of the fair value of the consideration received.

Convertible debenture valuation

The Company uses judgements, estimates and assumptions in determining the fair value of the convertible loans and debentures.

New accounting policies

Certain pronouncements have been issued by the IASB that are effective for accounting periods beginning on or after July 1, 2024. With the exception of changing the Company's accounting policies from "significant" to "material", the Company has reviewed all other updates and determined that many of these updates are not applicable or consequential to the Company and have been excluded from discussion within the material accounting policy information.

Credissential Inc. (formerly Impact Analytics Inc.)**Notes to the Condensed Interim Consolidated Financial Statements****Unaudited – Prepared by Management**

For the six months ended December 31, 2024 and December 31, 2023

3. ACQUISITION OF ANTENNA TRANSFER INC.

On August 16, 2024, the Company closed its acquisition of Antenna Transfer Inc (“Antenna”). Under the terms of the definitive agreement, the Company issued 4,500,000 common shares valued at a total of \$2,880,000 to Antenna’s shareholders. Additionally, a cash payment of \$25,000 was made. The consideration shares are subject to a 12-month lock-up period, after which 20% of the shares will be released each month. A finder’s fee was also issued, amounting to 450,000 common shares valued at \$288,000.

The acquisition of the Antenna constitutes an asset acquisition and has been accounted for under the acquisition method, as outlined in IFRS 3, Business Combinations. However, since the assets acquired did not qualify as a business under IFRS 3, the acquisition has been treated as a purchase of individual assets and liabilities.

The allocation of the purchase price to the assets acquired and liabilities assumed is based on their estimated fair values as of the acquisition date. The assets and liabilities have been included in the Company’s condensed interim consolidated financial statements starting from August 16, 2024.

During the six months ended December 31, 2024, the Company recognized an intangible asset in the amount of \$1,368,000 (note 5). The difference between the purchase price and the identifiable net assets acquired have been recorded as excess consideration included as other expenses in the Company’s condensed interim consolidated loss and comprehensive loss.

	August 16, 2024
Consideration paid on asset acquisition:	\$
Cash	25,000
Non-cash consideration (share exchange)	2,880,000
Non-cash consideration (shares issued for finders' fee)	288,000
Total consideration paid	3,193,000
Net assets (liabilities) of Antenna acquired:	\$
Intangible asset (Note 5)	1,368,000
Accounts payable and accrued liabilities	(19,781)
Total identifiable net assets acquired	1,348,219
Excess consideration over net assets acquired	1,844,781
Total consideration allocated	3,193,000

Credissential Inc. (formerly Impact Analytics Inc.)**Notes to the Condensed Interim Consolidated Financial Statements****Unaudited – Prepared by Management**

For the six months ended December 31, 2024 and December 31, 2023

4. RECEIVABLES AND PREPAYMENTS

Receivables and prepayments consist of the following:

	December 31, 2024	June 30, 2024
	\$	\$
Business consulting services	-	54,583
Business development and project management	-	62,622
Consulting services	153,260	82,900
GST receivable	112,087	-
Investor relations	84,371	561,712
Insurance	-	8,333
Legal	9,787	-
Salaries	-	12,413
	359,505	782,563

5. INTANGIBLE ASSET

On August 16, 2024, the Company acquired Antenna Transfer Inc. This acquisition included its proprietary intellectual property ("IP"), valued at \$1,368,000 based on the reproduction cost method. The acquired IP is a privacy-focused, encrypted file-sharing and payment platform currently in its pre-revenue stage. The IP was valued using the reproduction cost approach, as this method most reliably estimates fair value in the absence of established revenues or cash flow projections.

Management has determined that the IP has an indefinite useful life due to the following factors:

- The IP is expected to generate economic benefits indefinitely as it can be continuously developed and adapted to evolving market needs.
- No foreseeable limit exists to the period over which the IP is expected to contribute to the Company's cash flows.
- The Company plans to maintain and upgrade the IP to sustain its utility and relevance.

As a result, the IP will not be amortized but will be subject to annual impairment testing.

Cost	Developed technologies
	\$
Balance - June 30, 2024	-
Additions	1,368,000
Balance - December 31, 2024	1,368,000

Credissential Inc. (formerly Impact Analytics Inc.)**Notes to the Condensed Interim Consolidated Financial Statements****Unaudited – Prepared by Management**

For the six months ended December 31, 2024 and December 31, 2023

6. PROMISSORY NOTE PAYABLE

As of December 31, 2024 the Company has issued the following promissory notes to 721785 N.B. Inc. (the "Lender"):

1. April 9, 2024: The Company issued a promissory note for a principal amount of \$200,000, bearing interest at 10% per annum. A facilitation fee of \$50,000 is also payable on demand. Interest is calculated annually in arrears and payable on demand. The note is repayable within 30 days of written demand by the Lender.
2. May 2, 2024: The Company issued a promissory note for a principal amount of \$50,000, bearing interest at 10% per annum. A facilitation fee of \$10,000 is payable on demand. Interest is calculated annually in arrears and payable on demand. The note is repayable within 30 days of written demand by the Lender.
3. May 9, 2024: The Company issued a promissory note for a principal amount of \$50,000, bearing interest at 10% per annum. A facilitation fee of \$10,000 is payable on demand. Interest is calculated annually in arrears and payable on demand. The note is repayable within 30 days of written demand by the Lender.

The total principal amount outstanding as of December 31, 2024, is \$300,000, along with \$70,000 in facilitation fees payable (included within accrued liabilities), and total accrued interest of \$22,853. No demand for repayment has been made as of the reporting date.

Additionally, during the six months ended December 31, 2024, the Company had issued promissory notes to Marlin Capital Strategies Ltd. for \$30,000 which were repaid during the period then ended.

Additionally, the Company issued promissory notes to 1440229 BC Ltd. for \$7,000 and Harmony Consulting Inc. for \$5,000 which remain outstanding as at December 31, 2024. Interest is calculated annually in arrears and payable on demand. The notes are repayable within 30 days of written demand by the Lender. No interest was accrued during the six months ended December 31, 2024, as notes were repaid in subsequent period.

7. CONVERTIBLE NOTE PAYABLE

On July 25, 2024, the Company entered into a subscription agreement with Helena Special Opportunities, LLC ("HSO" or "Investor"), pursuant to which the Company issued senior unsecured convertible debentures ("Convertible Notes") with a total principal amount of up to \$5,350,000. The Convertible Notes are to be issued in tranches, with an initial tranche of \$1,350,000 issued at closing and subsequent tranches of \$250,000 each available at the mutual agreement of the Company and HSO over a 24-month commitment period. The Convertible Notes were issued at 80% of their principal value, representing a subscription price of \$4,280,000.

The Convertible Notes mature 12 months from their respective issuance date unless earlier converted or redeemed.

The Company determined that there are several financial components of the Convertible Notes. The significant ones include the note payable, the embedded derivatives of the conversion rights, and the commitment fee liability. There is also a standalone equity component being the warrants issued. Additionally, the subscription agreement gives HSO 17 options, each entitling the holder to subscribe for a \$250,000 tranche of Convertible Notes during the 24-month commitment period. Each tranche issuance is accompanied by warrants equal to 50% of the tranche value, exercisable for five years at a price equal to 125% of the common share price on the day prior to their issuance, which the Company determines to be another standalone equity component.

The Company elects to present the components of the Convertible Notes as a whole as a convertible loan liability at fair value through profit or loss (FVTPL). The fair value of the \$1,350,000 initial tranche was determined to be \$1,080,000 on the First Closing date of July 25, 2024, and the residual value of \$nil was assigned to the warrants. The Company incurred \$330,000 in transaction fees in respect to the issuance of the initial tranche of the convertible note. A commitment fee of \$240,750 was satisfied through the issuance of additional Convertible Notes, which were recorded as a convertible loan liability and expensed at fair value.

During the six months ended December 31, 2024, the Company received conversion notices totaling \$751,000 to reduce the loan liability and a change in fair value of \$42,737 was recorded for the period then ended.

The fair value of the convertible loan payable at December 31, 2024 was \$599,000. The fair value of the Convertible Note outstanding at a given date is determined by the total liabilities the Company would have to pay to the Investor assuming the Investor converts the Convertible Note on that date.

Credissential Inc. (formerly Impact Analytics Inc.)**Notes to the Condensed Interim Consolidated Financial Statements****Unaudited – Prepared by Management**

For the six months ended December 31, 2024 and December 31, 2023

8. SHARE CAPITAL AND RESERVES

The Company has an unlimited number of Class A voting common shares, and an unlimited number of Class A, Class B and Class C preferred shares authorized for issue. In concurrence with its June 30, 2020 non-offering prospectus, the Company entered into an escrow agreement, and as of December 31, 2024, no Class A common shares are held in escrow.

On October 6, 2023, the Company issued shares pursuant to a stock split of 4:1 basis and outstanding common shares increased from 6,472,100 common shares to 25,888,400 common shares directly following completion of the split. The corporation expects that the stock split will increase the liquidity and marketability of the common shares.

Share capital**Transactions for the issuance of share capital during the six months ended December 31, 2024:**

During August 2024, the Investor converted a total \$501,000 of the convertible note (note 7) into 818,067 common shares of the Company at conversion prices between \$0.62 to \$0.71 representing a change of \$28,848 in the fair value of the convertible note.

During August 2024, 513,856 common shares were issued upon the exercise of stock options with an exercise price of \$0.62 for proceeds of \$318,591. In addition, \$190,200 representing the fair value initially recognized, was re-allocated from reserves to share capital.

On August 16, 2024, 4,500,000 common shares were issued at \$0.64 per share for the acquisition of Antenna resulting in a total fair value of \$2,880,000 (note 3). An additional 450,000 common shares were issued at \$0.64 per share in respect of a finders' fee associated with acquisition resulting in a fair value \$288,000.

On August 21, 2024, 125,000 common shares were issued for \$nil proceeds upon the exercise of RSUs. Additionally, \$87,500 representing the fair value initially recognized, was re-allocated from reserves to share capital.

On October 16, 2024, the Investor converted a total \$250,000 of the convertible note (note 7) into 1,388,888 common shares of the Company at a conversion price of \$0.19 representing a change of \$13,889 in the fair value of the convertible note.

On December 3, 2024, 250,000 common shares were issued for \$nil proceeds upon the exercise of RSUs. Additionally, \$175,000 representing the fair value initially recognized, was re-allocated from reserves to share capital.

On December 16, 2024, 30,000 common shares were issued for \$nil proceeds upon the exercise of RSUs. Additionally, \$21,000 representing the fair value initially recognized, was re-allocated from reserves to share capital.

Transactions for the issuance of share capital during the six months ended December 31, 2023.

During December 2023, the Company issued 1,129,140 units for gross proceeds of \$564,570. Additionally, the Company had received \$125,000 in share subscriptions received (included within share capital).

Reserves

The Company has an Omnibus Equity Incentive Plan which was approved by shareholders in September 20, 2023 (the "Equity Plan") and replaces the previous stock option plan. The Equity Plan provides for the grant of stock options and RSUs subject to CSE approval. Under the Equity Plan, the maximum number of equity-based awards issued cannot exceed 30% of the Company's currently issued and outstanding common shares.

Stock options

In accordance with the Equity Plan, the exercise price of each stock option shall not be less than the market price of the Company's common shares as calculated at the close of the trading session on the date immediately prior to the date of grant. Stock options can be granted for a maximum term of ten years, and vest at the discretion of the Board of Directors. Stock options outstanding under the Company's former stock option plan are governed by the Equity Plan unless the former stock option plan is more beneficial, in which case the terms of the stock option plan will apply for the benefit of the option holder. The Company's Equity Plan permits the holder of stock options to exercise cashless (net exercise) by surrendering a portion of the underlying stock option shares to pay for the exercise cost.

Credissential Inc. (formerly Impact Analytics Inc.)**Notes to the Condensed Interim Consolidated Financial Statements****Unaudited – Prepared by Management**

For the six months ended December 31, 2024 and December 31, 2023

8. SHARE CAPITAL AND RESERVES (continued)**Stock options (continued)**

A summary of the status of the Company's stock options as at December 31, 2024 and June 30, 2024 and changes during the period/year then ended is as follows:

	Period ended December 31, 2024		Year ended June 30, 2024	
	Options #	Weighted average exercise price \$	Options #	Weighted average exercise price \$
Options outstanding, beginning of period/year	-	-	-	-
Granted	573,856	0.62	5,160,000	0.03
Exercised	(513,856)	0.62	-	-
Cancelled/forfeited/expired	-	-	(5,160,000)	0.03
Options outstanding, end of period/year	60,000	0.67	-	-

As at December 31, 2024, the Company has stock options outstanding and exercisable as follows:

Options outstanding #	Options exercisable #	Exercise price \$	Expiry date
10,000	10,000	0.69	August 26, 2026
50,000	25,000	0.66	September 3, 2027
60,000	35,000	0.67	

The following table summarizes information about the stock options outstanding as at December 31, 2024:

Options #	Weighted average remaining life (years)	Weighted average exercise price \$
10,000	1.65	0.69
50,000	2.67	0.66
60,000	2.50	0.67

The Company recorded the fair value of the stock options granted during the six months ended December 31, 2024 and year ended June 30, 2024, using the Black-Scholes option pricing model.

On August 8, 2024, 513,856 stock options were granted to a consultant exercisable at \$0.62 each, expiring on August 8, 2026, which vested immediately. Fair value was calculated using the following assumptions: expected life of options – two years, stock price volatility – 115.00%, no dividend yield, and a risk-free interest rate – 3.23%. Using the above assumptions, the fair value of options granted was \$0.37 per option, for an aggregate total of \$190,200.

On August 26, 2024, 10,000 stock options were granted to a consultant exercisable at \$0.69 each, expiring on August 26, 2026, which vested immediately. Fair value was calculated using the following assumptions: expected life of options – two years, stock price volatility – 115.00%, no dividend yield, and a risk-free interest rate – 3.27%. Using the above assumptions, the fair value of options granted was \$0.41 per option, for an aggregate total of \$4,100.

On September 3, 2024, 50,000 stock options were granted to a consultant exercisable at \$0.66 each, expiring on September 3, 2027, of which 50% vested immediately with the remaining 50% vesting On December 3, 2024. Fair value was calculated using the following assumptions: expected life of options – two years, stock price volatility – 115.00%, no dividend yield, and a risk-free interest rate – 3.05%. Using the above assumptions, the fair value of options granted was \$0.42 per option, for an aggregate total of \$20,800.

The total share-based payment expense for the six months ended December 31, 2024, was \$4,439,100 (2023 - \$34,192) of which \$215,100 was attributable to vesting of stock options during the period then ended.

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For the six months ended December 31, 2024 and December 31, 2023

8. SHARE CAPITAL AND RESERVES (continued)**Stock options (continued)**

During the year ended June 30, 2024, the Company issued an aggregate of 1,290,000 stock options to certain Directors, Officers, and consultants of the corporation, with each option exercisable for one common share of the Company at an exercise price of \$0.11 for two years from the date of grant. During the year ended June 30, 2024 the Company also issued shares pursuant to a stock split of 4:1 basis and outstanding share options increased from 1,290,000 common shares to 5,160,000 following the completion of the split. During the year ended June 30, 2024, a total of 2,580,000 of the options vested, and the remaining fifty percent will vest one year after the grant date.

The fair value of the options was estimated using the Black Scholes option pricing model and the following weighted average assumptions: number of options – 5,160,000; share price - \$0.0275; exercise price - \$0.0275; expected life – 24 months; annualized volatility – 115%; quarterly dividend yield – 0%; risk-free rate – 4.94%.

During the year ended June 30, 2024, the Company cancelled an aggregate of 5,160,000 stock options of the company. The stock options were exercisable to acquire common shares of the company at an exercise price of \$0.0275 until. All of the stock options were voluntarily surrendered by the holders thereof for no consideration.

Restricted share units (RSUs)

In accordance with the Equity Plan, RSUs and DSUs are granted to directors, officers, employees, and consultants as part of long-term incentive compensation. The number of Equity Incentives awarded, and underlying vesting conditions are determined by the Company. Additionally, at the Company's sole discretion, upon each vesting date participants receive (a) common shares equal to the number of Equity Incentives that vested; (b) a cash payment equal to the number of vested Equity Incentives multiplied by the fair market value of a Voting Share; or (c) a combination of (a) and (b).

On the grant date of RSUs, the Company determines whether it has a present obligation to settle in cash. If the Company has a present obligation to settle in cash, the RSUs are accounted for as liabilities, with the fair value remeasured at the end of each reporting period and at the date of settlement, with any changes in fair value recognized in profit or loss for the period. The Company has a present obligation to settle in cash if the Company has a past practice or a stated policy of settling in cash, or generally settles in cash whenever the counterparty asks for cash settlement. If no such obligation exists, RSUs are accounted for as equity settled share-based payments and are valued using the share price of the common shares on the grant date. Since the Company controls the settlement, the RSUs are considered equity settled.

Pursuant to the underlying agreements, all Equity Incentives granted to the date of approval of these financial statements are expected to be settled in common shares.

A summary of the status of the Company's Equity Incentives as at December 31, 2024 and June 30, 2023, and changes during the period/year then ended is as follows:

	Period ended December 31, 2024	Year ended June 30, 2024
	Equity Incentives #	Equity Incentives #
Equity Incentives outstanding, beginning of period/year	221,360	-
Granted - RSUs	7,347,307	221,360
Exercised	(405,000)	-
Cancelled	(1,000,000)	-
Equity Incentives outstanding, end of period/year	6,163,667	221,360

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8. SHARE CAPITAL AND RESERVES (continued)**Restricted share units (RSUs) (continued)**

As at December 31, 2024, the Company has RSUs outstanding as follows:

RSUs outstanding #	RSUs Exercisable #	Weighted average grant date fair value per RSU	Final vesting date
221,360	221,360	1.69	March 19, 2024
4,725,000	4,725,000	0.70	August 1, 2024
192,307	192,307	0.52	September 12, 2024
1,025,000	1,025,000	0.52	September 26, 2024
6,163,667	6,163,667		

On August 1, 2024, the Company issued an aggregate of 6,130,000 restricted share units to Directors, Officers, and Consultants of the Company. The shares vested immediately and are no longer restricted. The shares had a market price of \$0.70 at vesting. The Company allocated the market value of \$4,291,000 to share-based compensation and share capital. During the six months ended December 31, 2024, 1,000,000 (2023 – nil) RSUs were cancelled. As a result, the original share-based payments expense of \$700,000 (2023 - \$nil) related to these RSUs was reversed.

On September 12, 2024, the Company issued an aggregate of 192,307 restricted share units to Consultants of the Company. The shares vested immediately and are no longer restricted. The shares had a market price of \$0.52 at vesting. The Company allocated the market value of \$100,000 to share-based compensation and share capital.

On September 26, 2024, the Company issued an aggregate of 1,025,000 restricted share units to an Officer and Consultant of the Company. The shares vested immediately and are no longer restricted. The shares had a market price of \$0.52 at vesting. The Company allocated the market value of \$533,000 to share-based compensation and share capital.

During the year ended June 30, 2024, the Company issued an aggregate of 221,360 restricted share units to two Directors of the Company. The shares vested immediately and are no longer restricted. The shares had a market price of \$1.69 at vesting. The Company allocated the market value of \$374,098 to share-based compensation and share capital.

The total share-based payments expense for the six months ended December 31, 2024, was \$4,439,100 (2023 - \$nil), of which \$4,224,000 (2023 - \$nil) represents the vesting of Equity Incentives with the remaining portion of share-based payment expense being attributable to stock options, as described above.

Warrants

As an incentive to complete equity financings, the Company may issue units which include common shares and common share purchase warrants. Using the residual value method, the Company determines whether a value should be allocated to warrants attached to units sold in equity financings. Finders' or brokers' warrants may be issued as equity financing share issue costs or for other services and are valued using the Black-Scholes option pricing model.

A summary of the Company's common share purchase warrants as at December 31, 2024 and June 30, 2024, and changes during the period/year then ended is as follows:

	Period ended December 31, 2024		Year ended June 30, 2024	
	Warrants #	Weighted average exercise price \$	Warrants #	Weighted average exercise price \$
Warrants outstanding, beginning of period/year	3,181,632	1.14	-	-
Issued	675,000	0.88	3,181,632	1.14
Warrants outstanding, end of period/year	3,856,632	1.10	3,181,632	1.14

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8. SHARE CAPITAL AND RESERVES (continued)

As at December 31, 2024, the Company had warrants outstanding and exercisable as follows:

Warrants outstanding #	Warrants exercisable #	Exercise price \$	Weighted average remaining life (years)	Expiry date
696,000	696,000	1.25	0.94	December 8, 2025
433,140	433,140	1.25	0.96	December 15, 2025
375,000	375,000	1.25	1.03	January 12, 2026
311,820	311,820	2.00	1.21	March 19, 2026
1,365,672	1,365,672	0.83	4.47	June 21, 2029
675,000	675,000	0.88	4.59	August 1, 2029
3,856,632	3,856,632	1.10	2.86	

9. RELATED PARTY TRANSACTIONS

Key management personnel are the people responsible for the planning, directing, and controlling the activities of the Company and includes both executive and non-executive directors, and entities controlled by key management. The Company considers all directors and officers of the Company to be key management.

The following related parties transacted with the Company or Company controlled entities during the six months ended December 31, 2024:

- Eric Entz was the former CEO of the Company and provided consulting services. He resigned during the six months ended December 31, 2024.
- Colin Frost is the new CEO of the Company and provides consulting and director services. He was appointed as the new CEO during the six months ended December 31, 2024.
- Joe Traversa, a Director of the Company provides consulting and director services.
- Sebastian Lowes, a Director of the Company provides consulting services to the Company.
- Laura Parken, the Corporate Secretary of the Company provides consulting services.
- Robert Birmingham, a Director of the Company provides marketing services.
- Stephen Brohman is the Company's new CFO effective September 15, 2024. He is a principal of Donaldson Brohman Martin CPA Inc. ("DBM CPA"), a firm in which he has significant influence. DBM CPA provides the Company with accounting and tax services (included within professional fees).

The aggregate value of transactions and outstanding balances with key management personnel and Directors and entities over which they have control or significant influence were as follows:

	Transactions six months ended December 31, 2024 \$	Transactions six months ended December 31, 2023 \$	Balances outstanding December 31, 2024 \$	Balances outstanding June 30, 2024 \$
Eric Entz	-	-	-	2,500
Colin Frost	60,000	-	40,000	7,097
Joe Traversa	2,500	-	3,675	525
Sebastian Lowes (1)	75,000	-	65,720	27,468
Laura Parken	9,000	-	12,600	1,500
Robert Birmingham	3,000	-	4,075	525
DBM CPA	32,981	-	34,630	-
	182,481	-	160,700	39,615

(1) - Includes a bonus payment of \$15,000

Credissential Inc. (formerly Impact Analytics Inc.)**Notes to the Condensed Interim Consolidated Financial Statements****Unaudited – Prepared by Management**

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9. RELATED PARTY TRANSACTIONS (continued)

During the six months ended December 31, 2024, the Company granted 725,000 RSUs to Company directors and officers (2023 – nil RSUs granted).

During the six months ended December 31, 2024, the Company granted did not grant any stock options to Company officers (2023 – 1,290,000).

10. SUPPLEMENTAL CASH FLOW INFORMATION

Changes in non-cash operating working capital during the six months ended December 31, 2024 and December 31, 2023, were comprised of the following:

	December 31, 2024 \$	December 31, 2023 \$
Receivables and prepayments	403,058	(273,058)
Accounts payable and accrued liabilities	957,828	86,274
Accrued interest payable	22,852	-
Net change	1,383,738	(186,784)

The Company incurred non-cash investing and financing activities during the six months ended December 31, 2024 and December 31, 2023 as follows:

During the six months ended December 31, 2024 and December 31, 2023, no amounts were paid for interest or income taxes.

11. DEVELOPMENT EXPENSES

On March 18, 2024, the Company described its change of business being to provide risk assessment, data intelligence and financial services platforms powered by AI (artificial intelligence). To this end, the Company is engaged in building a proprietary product stack to optimize and streamline financial decision making for enterprises and individuals. The Company is currently developing four commercial projects: two market entry applications: Credissential, Lana Cash, Antenna and the PACT platform.

During the six months ended December 31, 2024, the Company incurred development expenses as follows:

	Six months ended December 31, 2024 and December 31, 2023				
	Credissential	Lana Cash	PACT platform	Antenna	Total
Balance, December 31, 2023	-	-	-	-	-
Balance, December 31, 2024	\$ 251,116	-	-	-	\$ 251,116

12. INVESTMENTS IN PRIVATE COMPANIES

The Company's subsidiary business is to sell minority interests in the subsidiaries it forms to arms-length purchasers ("Purchasers"), which allows debt securities of the subsidiaries to be eligible for registered savings plans. A registered savings plan is a registered retirement savings plan, registered education savings plan, registered retirement income fund, a tax-free savings account or other similar registered savings plan. The Purchasers use the capital raised at their own discretion, without reliance on the management or resources of the Company. The Company's management and capital are not committed to these subsidiaries, nor does the Company receive any economic benefit from the operations of the subsidiaries. The Company also does not pay for any fees for these subsidiaries.

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12. INVESTMENTS IN PRIVATE COMPANIES (continued)

As of December 31, 2024 and June 30, 2024, the Company owned the following subsidiaries:

	Cash Offer Capital Corp	1328623 B.C. Ltd.	Blue Copper Asset Fund	10000358 1 Ontario	1469617B .C. Ltd.	Total
Place of Business	British Columbia , Canada	British Columbia, Canada	Alberta, Canada	Ontario, Canada	British Columbia, Canada	
Ownership, June 30, 2024 and December 31, 2024	60%	60%	60%	60%	60%	
Fair Value, June 30, 2024 and December 31, 2024	60	60	1	60	Nil	\$181

13. MANAGEMENT OF CAPITAL

The Company considers its capital structure to consist of its components of shareholders' equity. When managing capital, the Company's objective is to ensure that it continues as a going concern, to ensure it has sufficient capital to deploy on new and existing projects including its commercialization objectives, as well as generating returns on excess funds while maintaining liquidity/accessibility to such funds. In order to facilitate the management of its capital requirements, the Company prepares annual operating and capital expenditure budgets that are monitored for variances and updated regularly depending on various factors, including but not limited to: business development and commercial arrangements, capital deployment, personnel planning, service contracts with vendors, access to financing, government program applications, and general capital market or industry conditions.

The Board of Directors relies on the expertise of the Company's management to sustain future development of the business towards commercialization. Management reviews and adjusts its capital structure on an ongoing basis.

The Company is not subject to any externally imposed capital requirements. There were no changes to the Company's approach to capital management during the six months ended December 31, 2024.

Financial instruments - fair value

Financial instruments measured at fair value are classified into one of three levels in the fair value hierarchy according to the relative reliability of the inputs used to estimate the fair values. The three levels of the fair value hierarchy are:

- Level 1 - Unadjusted quoted prices in active markets for identical assets or liabilities;
- Level 2 - Inputs other than quoted prices that are observable for the assets or liability either directly or indirectly; and
- Level 3 - Inputs that are not based on observable market data.

Financial instruments - classification

Financial assets:	Classification and measurement:
Cash	Amortized cost
<hr/>	
Financial liabilities:	Classification and measurement:
Accounts payable and accrued liabilities	Amortized cost
Accounts payable to related parties	Amortized cost
Promissory notes payable	Amortized cost
Convertible note payable	Amortized cost

The Company's financial instruments measured at amortized cost approximate their fair values.

Credissential Inc. (formerly Impact Analytics Inc.)**Notes to the Condensed Interim Consolidated Financial Statements****Unaudited – Prepared by Management**

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13. FINANCIAL INSTRUMENTS (continued)**Financial instruments - risk**

The Company's financial instruments can be exposed to certain financial risks including liquidity risk, credit risk, price risk, and currency risk.

a) Liquidity risk

Liquidity risk is the risk that the Company will be unable to meet its financial obligations as they come due. The Company has historically relied upon government assistance programs, equity financings, and the exercise of convertible equity securities (options and warrants), to satisfy its capital requirements and will continue to depend upon these and other possible sources of capital to finance its activities until such time that the Company commences commercial operations and generates future profitability and positive operating cash flows.

b) Credit risk

Credit risk is the risk of potential loss to the Company if the counterparty to a financial instrument fails to meet its contractual obligations. The Company is exposed to credit risk on its cash and receivables.

The Company minimizes its credit risk on its cash and restricted cash (standby letter of credit), by holding the funds with high-credit quality Canadian chartered banks. Management believes that the Company's credit risk attributable to its various components of receivables is low.

c) Price risk

Equity price risk is defined as the potential adverse impact on the Company's results of operations and the ability to obtain equity financing, or the ability of holders of convertible equity securities (options and warrants) to exercise their securities, which affects proceeds to the Company on such exercises, due to movements in individual equity prices or general movements in the level of the stock market. The Company closely monitors individual equity movements to determine the appropriate course of action to be taken by the Company.

d) Currency risk

Currency risk is the risk of fluctuation in profit or loss that arises from fluctuations in foreign exchange rates and the degree of volatility of those rates. The Company is exposed to currency risk as it incurs certain transactions in United States dollar, as the Company had accounts payable that were denominated in United States dollars.

14. EVENTS AFTER THE REPORTING PERIOD

- a) On January 6, 2025, the Company received a promissory note of \$4,500 from Harmony Consulting Inc. Interest on the promissory will be calculated annually in arrears and payable on demand.
- b) On January 17, 2025, the Company closed a LIFE Offering, in which the Company entered into an agency agreement with Beacon Securities Limited (the "Agent") whereby the Company issued a total of 12,060,968 units of the Company at a price of \$0.12 per Unit for gross proceeds of \$1,447,316. Each Unit consists of one common share in the capital of the Company and one common share purchase warrant. Each warrant entitles the holder thereof to acquire one common share at a price per warrant share of \$0.16 for a period of 60 months from the date of issuance.

Concurrent with the Offering, the Company and the Agent completed a brokered private placement offering of 2,936,000 units at a price of \$0.12 per unit for gross proceeds of \$352,320. The units consist of one common share and one common share purchase warrant with warrant entitling the holder thereof to acquire one common share at a price per warrant share of \$0.16 for a period of 60 months from the date of issuance.
- c) On February 18, 2025, the Company has granted a total of 2,000,000 incentive stock options at a price of \$0.08, and 2,000,000 Restricted Share Units of the Company to a consultant pursuant to its Omnibus Equity Incentive Plan adopted by the shareholders on February 23, 2024. The Options will expire two years from the date of grant and both the Options and RSUs will vest immediately, subject to the standard four month and one day hold period.

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14. EVENTS AFTER THE REPORTING PERIOD

- d) On February 20, 2025, the Company entered into a non-binding Letter of Intent (“LOI”) to acquire 1000927675 Ontario Inc. dba CoinCmply (“CoinCmply”) (www.coincmply.com), a private company specializing in cryptocurrency tax compliance solutions (the “Proposed Transaction”) for Canadian and United States crypto users.

Under the terms of the LOI, at closing of the Proposed Transaction, the Company will issue an aggregate of 13,600,000 common shares in the Company (the “Consideration Shares”) at a deemed price of \$0.08 per Consideration Share (for an aggregate transaction value of CAD\$1,088,000) to the shareholders of CoinCmply pro rata to their respective shareholdings in CoinCmply, pursuant to the terms of a definitive agreement (the “Definitive Agreement”). The Company and CoinCmply have agreed to a 15-business day exclusivity period during which the parties will work towards executing the Definitive Agreement.

- e) During the subsequent period, the Investor converted a total \$200,000 of the convertible note into 1,970,755 common shares of the Company at an average conversion price of \$0.08.
- f) During the subsequent period, 4,567,307 common shares were issued for \$nil proceeds upon the exercise of RSUs.