



**ANONYMOUS INTELLIGENCE COMPANY INC.**

(Formerly Cloud Nine Web3 Technologies Inc.)

Condensed Interim Consolidated Financial Statements  
(Unaudited)

For the three and six months ended March 31, 2023 and 2022  
(In Canadian dollars)

# Anonymous Intelligence Company Inc.

(Formerly Cloud Nine Web3 Technologies Inc.)

## Condensed Interim Consolidated Statements of Financial Position

As at March 31, 2023 and September 30, 2022

(In Canadian dollars)

	Notes	March 31, 2023	September 30, 2022
		\$	\$
<b>Assets</b>			
Current			
Cash and cash equivalents		643,924	1,104,535
GST recoverable		8,974	6,909
Prepays and other assets	3	35,633	214,462
		688,531	1,325,906
Intangible assets			
Investment	4	3,601,934	3,799,705
Derivative	5	892,000	903,000
Capital assets	5	831,000	861,000
		1,308	2,012
		5,326,242	5,565,717
		6,014,773	6,891,623
<b>Liabilities</b>			
Current liabilities			
Accounts payable and accrued liabilities	7(c)(ii)	151,539	211,640
Loans and borrowings	6, 7(c)(i)	100,000	158,415
		251,539	370,055
<b>Shareholders' equity</b>			
Share capital	8	16,854,593	16,817,468
Reserves		2,720,835	2,737,346
Deficit		(13,812,194)	(13,033,246)
		5,763,234	6,521,568
		6,014,773	6,891,623
Nature of operations and going concern	1		
Subsequent events	11		

Approved on behalf of the Board of Directors:

(Signed) "John Bean"

Director

(Signed) "Kant Trivedi"

Director

# Anonymous Intelligence Company Inc.

(Formerly Cloud Nine Web3 Technologies Inc.)

## Condensed Interim Consolidated Statements of Comprehensive Loss

Three and six months ended March 31, 2023 and 2022

(In Canadian dollars)

	Notes	Three months ended March 31,		Six months ended March 31,	
		2023	2022	2023	2022
		\$	\$	\$	\$
<b>Expenses</b>					
Amortization and depreciation	4	142,610	139,796	289,716	291,795
Insurance		19,726	20,000	39,890	40,000
Investor and public relations		36,977	45,976	74,026	80,696
Marketing		7,397	25,366	10,749	44,366
Office and administration	7(b)	13,623	40,727	35,184	75,162
Professional fees		38,344	46,255	69,348	148,238
Regulatory and transfer agent fees		19,986	21,698	29,817	53,251
Salaries and benefits	7(a)	91,999	99,138	184,574	169,069
Share-based compensation	8(d), 8(e)	77,590	1,009,870	144,104	1,091,395
<b>Loss before other items</b>		<b>(448,252)</b>	<b>(1,448,826)</b>	<b>(877,408)</b>	<b>(1,993,972)</b>
<b>Other items</b>					
Finance costs		(199)	(5,945)	(2,141)	(19,304)
Foreign exchange gain (loss)		(177)	203	(1,889)	(275)
Government grant	6	-	-	20,000	-
Unrealized (loss) gain on derivative	5	(14,000)	(23,000)	(30,000)	1,202,000
		(14,376)	(28,742)	(14,030)	1,182,421
<b>Net loss for the period</b>		<b>(462,628)</b>	<b>(1,477,568)</b>	<b>(891,438)</b>	<b>(811,551)</b>
<b>Other comprehensive income</b>					
Unrealized (loss) gain on investment	5	(1,000)	-	(11,000)	1,413,000
<b>Comprehensive (loss) income for the period</b>		<b>(463,628)</b>	<b>(1,477,568)</b>	<b>(902,438)</b>	<b>601,449</b>
<b>Net loss per share - basic and diluted</b>					
		(0.01)	(0.02)	(0.01)	0.01
<b>Weighted average number of shares outstanding</b>		<b>68,435,570</b>	<b>66,244,064</b>	<b>68,133,646</b>	<b>58,705,357</b>

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

## Anonymous Intelligence Company Inc.

(Formerly Cloud Nine Web3 Technologies Inc.)

### Condensed Interim Consolidated Statements of Changes in Shareholders' Equity

Six months ended March 31, 2023 and 2022

(In Canadian dollars)

	Notes	Share capital		Reserves						Total
		Number	Amount	Stock Options and RSUs	Warrants	Convertible debentures	Accumulated comprehensive income	Total reserves	Deficit	
		#	\$	\$	\$	\$	\$	\$	\$	\$
Balance, September 30, 2022		68,122,653	16,817,468	1,298,211	790,135	-	649,000	2,737,346	(13,033,246)	6,521,568
Vested RSUs		562,500	37,125	(37,125)	-	-	-	(37,125)	-	-
Share-based compensation		-	-	144,104	-	-	-	144,104	-	144,104
Cancelled and forfeited options		-	-	(112,490)	-	-	-	(112,490)	112,490	-
Comprehensive loss for the period		-	-	-	-	-	(11,000)	(11,000)	(891,438)	(902,438)
<b>Balance, March 31, 2023</b>		<b>68,685,153</b>	<b>16,854,593</b>	<b>1,292,700</b>	<b>790,135</b>	<b>-</b>	<b>638,000</b>	<b>2,720,835</b>	<b>(13,812,194)</b>	<b>5,763,234</b>
Balance, September 30, 2021		62,595,653	16,425,140	154,319	122,412	31,063	-	307,794	(9,041,518)	7,691,416
Conversion of debentures		4,000,000	271,063	-	-	(31,063)	-	(31,063)	-	240,000
Exercise of warrants		1,277,000	89,390	-	-	-	-	-	-	89,390
Share-based compensation		-	-	1,091,395	-	-	-	1,091,395	-	1,091,395
Cancelled and forfeited options		-	-	(223,844)	-	-	-	(223,844)	223,844	-
Expired warrants		-	-	-	(23,054)	-	-	(23,054)	23,054	-
Modification of warrants		-	-	-	395,800	-	-	395,800	(395,800)	-
Comprehensive loss for the period		-	-	-	-	-	1,413,000	1,413,000	(811,551)	601,449
<b>Balance, March 31, 2022</b>		<b>67,872,653</b>	<b>16,785,593</b>	<b>1,021,870</b>	<b>495,158</b>	<b>-</b>	<b>1,413,000</b>	<b>2,930,028</b>	<b>(10,001,971)</b>	<b>9,713,650</b>

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

# Anonymous Intelligence Company Inc.

(Formerly Cloud Nine Web3 Technologies Inc.)

## Condensed Interim Consolidated Statements of Cash Flows

Six months ended March 31, 2023 and 2022

(In Canadian dollars)

	Six months ended March 31,	
	2023	2022
	\$	\$
Operating activities		
Net (loss) for the period	(891,438)	(811,551)
<i>Items not affecting cash:</i>		
Amortization and depreciation	289,716	291,795
Share-based compensation	144,104	1,091,395
Accretion expense	1,585	14,121
Unrealized loss (gain) on derivative	30,000	(1,202,000)
Government grant	(20,000)	-
<i>Changes in non-cash working capital items:</i>		
GST recoverable	(2,065)	(2,651)
Prepays and other assets	178,829	89,884
Accounts payable and accrued liabilities	(60,101)	(121,392)
	(329,370)	(650,399)
Investing activities		
Intangible assets development costs	(91,241)	(87,395)
Investment and derivative	-	(250,000)
	(91,241)	(337,395)
Financing activities		
Shares issued for cash, net of share issue costs	-	89,390
Repayment of loans and borrowings	(40,000)	-
	(40,000)	89,390
Decrease in cash and cash equivalents	(460,611)	(898,404)
Cash and cash equivalents, beginning of period	1,104,535	2,508,857
Cash and cash equivalents, end of period	643,924	1,610,453
Cash and cash equivalents consist of		
Cash	143,924	810,453
GIC	500,000	800,000
Supplemental cash flow information		
Intangible assets in accounts payable	10,958	10,302

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

# Anonymous Intelligence Company Inc.

(Formerly Cloud Nine Web3 Technologies Inc.)

## Notes to Condensed Interim Consolidated Financial Statements

Three and six months ended March 31, 2023 and 2022

(In Canadian dollars)

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### 1. Nature of operations and going concern

#### (a) Nature of operations

Anonymous Intelligence Company Inc. (Formerly Cloud Nine Web3 Technologies Inc.) (the “Company”) was incorporated in the Province of British Columbia on April 14, 2015, under the Business Corporations Act of British Columbia. The Company’s registered office is located at 900 – 885 West Georgia Street, Vancouver, BC, V6C 3H1 and its head office is located at 610 – 700 West Pender Street, Vancouver, BC, V6C 1G8.

The Company is a decentralized network, computational intelligence and data storage technology company, focused on leveraging its proprietary Web 3.0 technology products to enable the decentralized movement among consumers and business alike. Web 3.0 enables a sustainable world where decentralized users and machines are able to interact with data, value and other counterparties via a substrate of peer-to-peer networks without the need for third parties creating many benefits such as giving each user full control and ownership of all personal and corporate data.

On May 16, 2023, the Company completed a change of business from an education technology Issuer to a technology Issuer. Concurrently, the Company changed its name to Anonymous Intelligence Company Inc. and its trading symbol from “CNI” to “ANON”.

#### (b) Going concern

These condensed interim consolidated financial statements have been prepared on a going concern basis which assumes that the Company will continue its operations for the foreseeable future and will be able to realize its assets and discharge its liabilities and commitments in the normal course of business.

The Company has incurred losses and negative operating cash flows since inception. During the six months ended March 31, 2023, the Company incurred a net loss of \$891,438 (2022 – \$811,551) and as of March 31, 2023, had an accumulated deficit of \$13,812,194 (September 30, 2022 – \$13,033,246). The continued operations of the Company are dependent on future profitable operations, management’s ability to manage costs and the availability of equity and debt financings. Management is committed to raising additional capital to meet its financial obligations and commitments, fund its growth initiatives, capital expenditures and sustain its operations in the normal course of business. Although the Company has raised funds in the past, there can be no assurance that the Company will be able to secure additional adequate financing. These factors indicate the existence of material uncertainties that may cast significant doubt regarding the Company’s ability to continue as a going concern. These condensed interim consolidated financial statements do not include adjustments to amounts and classifications of assets and liabilities that may be necessary should the Company be unable to continue as a going concern. Such adjustments could be material.

# Anonymous Intelligence Company Inc.

(Formerly Cloud Nine Web3 Technologies Inc.)

## Notes to Condensed Interim Consolidated Financial Statements

Three and six months ended March 31, 2023 and 2022

(In Canadian dollars)

### 2. Significant accounting policies

#### Basis of presentation and consolidation

These condensed interim consolidated financial statements (the “Financial Statements”) have been prepared in accordance with International Accounting Standards 34, Interim Financial Reporting (“IAS 34”) using accounting policies consistent with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”).

The Financial Statements should be read in conjunction with the Company’s annual financial statements as at and for the year ended September 30, 2022 (the “Annual Financial Statements”). The accounting policies and critical estimates applied by the Company in the Financial Statements are the same as those applied in the Annual Financial Statements. The Financial Statements do not include all the information required for full annual financial statements, however, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Company’s financial position and performance since the most recent Annual Financial Statements.

The Financial Statements include the accounts of the Company and its wholly-owned subsidiary, BHR Capital Corp. (“BHR”).

The Financial Statements were approved and authorized for issue by the Board of Directors of the Company on May 25, 2023.

### 3. Prepaids and other asset

As at September 30, 2022, included in other assets was a promissory note receivable (the “Note”) of \$150,000. The Note was unsecured, bore interest at 15% per annum, compounded monthly, and matured on March 15, 2022. During the six months ended March 31, 2023, pursuant to a settlement agreement, the Note, including a reimbursement for legal fees of \$15,000, was repaid in full (2022 – principal of \$50,000 paid).

### 4. Intangible assets

The changes in the carrying amount of intangible assets are as follows:

	IP Assets	Digital Curriculum	Total
	\$	\$	\$
<b>Cost</b>			
Balance, September 30, 2021	5,231,500	402,972	5,634,472
Development costs	174,609	-	174,609
Balance, September 30, 2022	5,406,109	402,972	5,809,081
Development costs	91,241	-	91,241
Balance, March 31, 2023	5,497,350	402,972	5,900,322

# Anonymous Intelligence Company Inc.

(Formerly Cloud Nine Web3 Technologies Inc.)

## Notes to Condensed Interim Consolidated Financial Statements

Three and six months ended March 31, 2023 and 2022

(In Canadian dollars)

### 4. Intangible assets (continued)

	IP Assets	Digital Curriculum	Total
	\$	\$	\$
<b>Accumulated amortization</b>			
Balance, September 30, 2021	-	339,849	339,849
Amortization	534,785	47,096	581,881
Impairment	1,087,646	-	1,087,646
Balance, September 30, 2022	1,622,431	386,945	2,009,376
Amortization	272,985	16,027	289,012
Balance, March 31, 2023	1,895,416	402,972	2,298,388
<b>Net book value</b>			
September 30, 2022	3,783,678	16,027	3,799,705
March 31, 2023	3,601,934	-	3,601,934

### 5. Investment and derivative

The Company entered into a share purchase agreement dated June 28, 2021, as amended, with Next Decentrum Technologies Inc. ("Next Decentrum"), a private technology corporation focused on iconic art and culture non-fungible tokens ("NFTs") and emerging technologies pursuant to which the Company acquired an aggregate of 2,673,792 units of Next Decentrum at a price of \$0.187 per unit for a total investment of \$500,000. Each unit is comprised of one common share and one share purchase warrant exercisable at \$0.2805 per share expiring December 31, 2026.

The share component of the investment is classified as equity investment at fair value through other comprehensive income (loss) (FVOCI). Based on Next Decentrum's closing price of \$0.34 (US\$0.246) from their last financing, the 2,673,792 shares had a fair value of approximately \$892,000 as at March 31, 2023 (September 30, 2022 - \$903,000). For the three and six months ended March 31, 2023, the Company recognized an unrealized loss on the fair value of the investment in OCI of \$1,000 and \$11,000, respectively (three and six months ended March 31, 2022 – unrealized gain of \$nil and \$1,413,000, respectively).

The warrant component of the investment is classified as a derivative at fair value through profit or loss (FVTPL). As at March 31, 2023, the fair value of the 2,673,792 warrants of \$831,000 (September 30, 2022 - \$861,000) was estimated using the Black-Scholes pricing model based on the following weighted average assumptions: risk free rate of 3.02%; dividend yield of 0%; stock price volatility of 182%; and expected life of 3.76 years. For the three and six months ended March 31, 2023, the Company recognized an unrealized loss on the fair value of the derivative of \$14,000 and \$30,000, respectively (three and six months ended March 31, 2022 - unrealized loss of \$23,000 and unrealized gain of \$1,202,000, respectively).



# Anonymous Intelligence Company Inc.

(Formerly Cloud Nine Web3 Technologies Inc.)

## Notes to Condensed Interim Consolidated Financial Statements

Three and six months ended March 31, 2023 and 2022

(In Canadian dollars)

### 6. Loans and borrowings

The Company secured a loan in the aggregate amount of \$60,000 from the Government of Canada under the Canada Emergency Business Account (“CEBA”) COVID -19 relief loan. The loan carries no interest and matures on December 31, 2023. Under the terms of the loan, if the Company repays \$40,000 on or before December 31, 2023, the remaining amount of \$20,000 will be forgiven. During the six months ended March 31, 2023, the Company repaid \$40,000 and the forgiven amount of \$20,000 was classified as a government grant.

### 7. Related party transactions

Key management compensation for the three and six months ended March 31, 2023 and 2022 consisted of:

#### (a) Compensation of key management personnel

	Three months ended March 31,		Six months ended March 31,	
	2023	2022	2023	2022
			\$	\$
CEO management fee	30,000	20,000	60,000	20,000
CFO salary	51,785	38,087	110,360	82,510
Share-based compensation <sup>(1)</sup>	57,804	318,498	99,011	338,419

<sup>(1)</sup> Share-based compensation represents the fair value of options granted and RSUs vested to directors and officers of the Company.

#### (b) Related party transactions

	Three months ended March 31,		Six months ended March 31,	
	2023	2022	2023	2022
			\$	\$
Office and administration <sup>(1)</sup>	-	15,000	14,600	30,000

<sup>(1)</sup> Shared rent, salary and office expenses paid to a company with common directors and officers.

#### (c) Related party balances

The following related party amounts were included in (i) loans and borrowings and (ii) accounts payable and accrued liabilities as at March 31, 2023 and September 30, 2022:

	March 31, 2023	September 30, 2022
	\$	\$
(i) Loan from a former director <sup>(1)</sup>	100,000	100,000
(ii) Due to directors and an officer <sup>(2)</sup>	50,000	50,000

<sup>(1)</sup> Pursuant to a promissory note dated September 30, 2014, the loan is unsecured, non-interest bearing and due on September 30, 2015. The loan was extended to December 1, 2016, for a one-time interest charge of \$20,000.

<sup>(2)</sup> Amount due is unsecured, non-interest-bearing and without fixed terms of repayment.

# Anonymous Intelligence Company Inc.

(Formerly Cloud Nine Web3 Technologies Inc.)

## Notes to Condensed Interim Consolidated Financial Statements

Three and six months ended March 31, 2023 and 2022

(In Canadian dollars)

### 8. Share capital

#### (a) Authorized

The authorized share capital of the Company is an unlimited number of common shares without par value.

#### (b) Issued and outstanding

As at March 31, 2023, the Company's outstanding share capital consisted of 68,685,153 (September 30, 2022 – 68,122,653) issued and fully paid common shares.

During the six months ended March 31, 2023, an aggregate of 562,500 common shares were issued for vested RSUs and \$37,125 was reclassified from reserves to share capital on the issuance of these shares.

#### (c) Share purchase warrants

Each whole warrant entitles the holder to purchase one common share of the Company. As at March 31, 2023, the weighted average contractual life of the warrants was 1.02 years (September 30, 2022 - 1.40 years).

	Warrants	Weighted average exercise price
	#	\$
Balance, September 30, 2021	19,322,861	0.29
Issued	4,000,000	0.07
Exercised	(1,277,000)	0.07
Expired	(47,796)	0.75
Balance, September 30, 2022 and March 31, 2023	21,998,065	0.15

The following table summarizes the warrants outstanding as at March 31, 2023:

Exercise Price	Expiry date	Warrants
\$		#
0.40 <sup>(1)</sup>	May 31, 2023 <sup>(2)</sup>	558,078
0.40 <sup>(4)</sup>	December 31, 2023 <sup>(3)(4)</sup>	4,723,654
0.07	February 18, 2023 – January 18, 2024	16,716,333
		21,998,065

<sup>(1)</sup> On January 14, 2022, the Company reduced the exercise price of these warrants from \$1.75 to \$0.40 per share. During the year ended September 30, 2022, the Company recorded a fair value incremental change of \$58,488 on the modification of the warrants. The value of the warrant modification was estimated using the Black-Scholes option pricing model based on the following weighted average assumptions at the time of modification: risk free rate of 1.13%; dividend yield of 0%; stock price volatility of 129.82%; and an expected life of 0.32 years.

# Anonymous Intelligence Company Inc.

(Formerly Cloud Nine Web3 Technologies Inc.)

## Notes to Condensed Interim Consolidated Financial Statements

Three and six months ended March 31, 2023 and 2022

(In Canadian dollars)

### 8. Share capital (continued)

#### (c) Share purchase warrants (continued)

- (2) On April 26, 2022, the expiry date of these warrants was extended to May 31, 2023. During the year ended September 30, 2022, the Company recorded a fair value incremental change of \$42,295, on the modification of the warrants. The value of the warrant modification was estimated using the Black-Scholes option pricing model based on the following weighted average assumptions at the time of modification: risk free rate of 2.43%; dividend yield of 0%; stock price volatility of 119.18%; and an expected life of 1.10 years.
- (3) On January 14, 2022, the Company extended the expiry date of these warrants from February 2022 to August 31, 2022. During the year ended September 30, 2022, the Company recorded a fair value incremental change of \$337,312 on the modification of the warrants. The value of the warrant modification was estimated using the Black-Scholes option pricing model based on the following weighted average assumptions at the time of modification: risk free rate of 1.13%; dividend yield of 0%; stock price volatility of 122.22%; and an expected life of 0.63 years.
- (4) On June 27, 2022, the Company reduced the exercise price of these warrants from \$0.75 to \$0.40 per share and extended the expiry date of these warrants to December 31, 2023. During the year ended September 30, 2022, the Company recorded a fair value incremental change of \$252,682, on the modification of the warrants. The value of the warrant modification was estimated using the Black-Scholes option pricing model based on the following weighted average assumptions at the time of modification: risk free rate of 3.16%; dividend yield of 0%; stock price volatility of 167.21%; and an expected life of 1.51 years.

#### (d) Stock options

In 2021, the Company adopted an Omnibus Equity Incentive Plan ("2021 Plan") which provides that the Board of Directors of the Company may from time to time, at its discretion, and in accordance with the Canadian Securities Exchange (the "Exchange") requirements, grant to directors, officers, employees and consultants of the Company, equity-based incentive awards in the form of stock options ("Options"), restricted share units ("RSUs"), performance share units ("PSUs") and deferred share units ("DSUs"). The 2021 Plan is a rolling plan which provides that the aggregate maximum number of common shares that may be issued upon the exercise or settlement of awards granted under the 2021 Plan shall not exceed 10% of the Company's issued and outstanding common shares from time to time.

A summary of the status of the options outstanding is as follows:

	Stock options	Weighted average exercise price
	#	\$
Balance, September 30, 2021	610,000	0.71
Granted	3,800,000	0.10
Cancelled and forfeited <sup>(1)</sup>	(935,000)	0.47
Balance, September 30, 2022	3,475,000	0.10
Granted	250,000	0.06
Forfeited <sup>(2)</sup>	(450,000)	0.14
Balance, March 31, 2023	3,275,000	0.09

# Anonymous Intelligence Company Inc.

(Formerly Cloud Nine Web3 Technologies Inc.)

## Notes to Condensed Interim Consolidated Financial Statements

Three and six months ended March 31, 2023 and 2022

(In Canadian dollars)

### 8. Share capital (continued)

#### (d) Stock options (continued)

- (1) During the year ended September 30, 2022, the Company cancelled 240,000 options and recorded share-based compensation of \$81,525 on the accelerated vesting of cancelled options. The incremental fair value of the cancelled options was estimated using the Black-Scholes option pricing model based on the following weighted average assumptions at the time of cancellation: risk free rate of 0.45%; dividend yield of 0%; stock price volatility of 196%; and an expected life of 3 years. An aggregate of \$225,907 was transferred from reserves to deficit for the cancelled and forfeited options.
- (2) During the six months ended March 31, 2023, an aggregate fair value of \$112,490 was transferred from reserves to deficit on forfeited options.

The following table summarizes the options outstanding and exercisable as at March 31, 2023:

Exercise Price	Expiry date	Options outstanding	Options exercisable
\$		#	#
0.12	October 25, 2024	75,000	75,000
0.095 <sup>(1)</sup>	February 14, 2027	2,500,000	2,500,000
0.095	July 20, 2027	200,000	200,000
0.095	August 30, 2027	150,000	150,000
0.095	September 21, 2027	100,000	100,000
0.06	November 30, 2027	250,000	250,000
		3,275,000	3,275,000

- (1) During the year ended September 30, 2022, the Company reduced the exercise price of these options from \$0.42 to \$0.095 per share. As a result, during the year ended September 30, 2022, the Company recorded a fair value incremental change of \$28,504 on the modification of the options. The value of the options modification was estimated using the Black-Scholes option pricing model based on the following weighted average assumptions at the time of modification: risk free rate of 3.64%; dividend yield of 0%; stock price volatility of 153.87%; and an expected life of 2.46 years.

As at March 31, 2023, the weighted average contractual life of the stock options was 3.96 years (September 30, 2022 – 4.27 years).

During the three and six months ended March 31, 2023, the Company recorded share-based compensation of \$nil and \$10,822, respectively (three and six months ended March 31, 2022 – \$938,958 and \$938,958, respectively) for stock options granted and vested during the period. The fair value of stock options granted was determined using the Black-Scholes option pricing model based on the following weighted average assumptions at the time of grant:

# Anonymous Intelligence Company Inc.

(Formerly Cloud Nine Web3 Technologies Inc.)

## Notes to Condensed Interim Consolidated Financial Statements

Three and six months ended March 31, 2023 and 2022

(In Canadian dollars)

### 8. Share capital (continued)

#### (d) Stock options (continued)

	Three months ended March 31,		Six months ended March 31,	
	2023	2022	2023	2022
Risk-free annual interest rate	3.73%	1.43%	3.73%	1.43%
Expected annual dividend yield	-	-	-	-
Expected stock price volatility	162%	183%	162%	183%
Expected life of options (years)	3	2	3	2
Forfeiture rate	15%	15%	15%	15%

The weighted average fair value of stock options granted during the during the six months ended March 31, 2023 was \$0.04 (six months ended March 31, 2022 - \$0.36) per option.

#### (e) Restricted share units (“RSUs”)

Under the terms of the 2021 Plan, RSUs may be awarded to directors, officers, employees and consultants of the Company which will be released as common shares at the end of each vesting period. Each RSU gives the participant the right to receive one common share of the Company.

A summary of the status of the RSUs outstanding is as follows:

	RSUs	Weighted average issue price
	#	\$
Balance, September 30, 2021	-	-
Granted	2,100,000	0.39
Released	(250,000)	0.41
Cancelled	(187,500)	0.41
Balance, September 30, 2022	1,662,500	0.39
Granted	250,000	0.06
Released	(562,500)	0.40
Cancelled	(250,000)	0.41
Balance, March 31, 2023	1,100,000	0.31

# Anonymous Intelligence Company Inc.

(Formerly Cloud Nine Web3 Technologies Inc.)

## Notes to Condensed Interim Consolidated Financial Statements

Three and six months ended March 31, 2023 and 2022

(In Canadian dollars)

### 8. Share capital (continued)

#### (e) Restricted share units (“RSUs”) (continued)

The following table summarizes the RSUs outstanding and released as at March 31, 2023:

Issue Price	Expiry date	RSUs outstanding
\$		#
0.41	February 14, 2024	775,000
0.095	July 20, 2024	37,500
0.095	August 30, 2024	37,500
0.06	November 30, 2022	250,000
		1,100,000

During the three and six months ended March 31, 2023, the Company recorded share-based compensation of \$77,590 and \$133,282, respectively (the three and six months ended March 31, 2022 - \$70,912 and \$70,912, respectively) for RSUs granted and vested during the period.

The weighted average fair value of RSUs granted during the six months ended March 31, 2023 was \$0.06 per share (six months ended March 31, 2022 - \$0.41 per share). The weighted average remaining contractual life of RSUs is 1.09 years.

### 9. Fair value of financial instruments

At March 31, 2023, the Company’s financial instruments consist of cash and cash equivalents, other assets, accounts payable and accrued liabilities and loans and borrowings. The carrying amounts of these financial instruments approximate fair value due to their immediate or short-term maturity.

The fair value of the Company’s investments and derivative approximates their carrying values measured based on level 2 and level 3 of the fair value hierarchy, respectively.

### 10. Segment disclosure

The Company has one operating segment, being the development and marketing of its technology platforms, and its operations and long-term assets are located in North America.

### 11. Subsequent events

The following events occurred subsequent to March 31, 2023:

- (a) On April 24, 2023, the Company completed a non-brokered private placement of 13,215,600 units at a price of \$0.05 per unit for gross proceeds of \$660,780. Each unit consisted of one common share and one warrant exercisable at \$0.06 per share expiring April 24, 2028.

# Anonymous Intelligence Company Inc.

(Formerly Cloud Nine Web3 Technologies Inc.)

## Notes to Condensed Interim Consolidated Financial Statements

Three and six months ended March 31, 2023 and 2022

(In Canadian dollars)

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### 11. Subsequent events (continued)

- (b) On May 23, 2023, the Company entered into a non-binding letter of intent to acquire Haller.a Technologies Inc. (the "Acquisition") for aggregate consideration of approximately \$3,155,000 consisting of 20,000,000 common shares (the "Consideration Shares") of the Company at a deemed price of \$0.10 per share and 10,000,000 bonus warrants (the "Consideration Warrants") exercisable at a price of \$0.25 per share for a period of five years (the "Purchase Price"). The Purchase Price shall be paid to the Vendor subject to the following resale restrictions and releases based on certain milestones achieved:
- (i) 25% of the Consideration Shares shall be released after 4 months +1 day from the date of closing of the Acquisition (the "Closing Date");
  - (ii) 25% of the Consideration Shares shall be released after 8 months from the Closing Date;
  - (iii) 25% of the Consideration Shares shall be released upon initial commercial product launch;
  - (iv) 25% of the Consideration Shares shall be released upon ANON achieving revenues of \$50,000 in a month; and
  - (v) 10,000,000 Consideration Warrants shall be issued upon ANON achieving revenues of \$150,000 in one quarter.

In connection with the Acquisition, the Company will pay a finder's fee consisting of 2,000,000 common shares of the Company.

The Acquisition is subject to a number of conditions, including but not limited to, completion of due diligence, negotiation of a definitive agreement, satisfaction of the conditions negotiated therein and receipt of all necessary regulatory approvals.