

IMPACT ANALYTICS INC.

(FORMERLY AXIOM CAPITAL ADVISORS INC.)

Condensed Interim Financial Statements

For the three months ended September 30, 2023 and 2022

(Unaudited)

(Expressed in Canadian dollars)

(The accompanying notes are an integral part of these financial statements)

IMPACT ANALYTICS INC. (FORMERLY AXIOM CAPITAL ADVISORS INC.)

Condensed Interim Statements of Financial Position

(Unaudited)

(Expressed in Canadian dollars)

	Notes	September 30, 2023	June 30, 2023 (Audited)
		\$	\$
ASSETS			
Current			
Cash		12,109	10,352
		12,109	10,352
Non-current			
Investments in private companies		181	181
TOTAL ASSETS		12,290	10,533
LIABILITIES AND SHAREHOLDERS' EQUITY			
Current			
Accounts payable and accrued liabilities	6	35,677	5,793
Loan payable	7	20,000	-
Due to related party	8	-	1,080
		55,677	6,873
Shareholders' equity			
Share capital	9	189,800	189,800
Reserves	10	3,526	-
Deficit		(236,713)	(186,140)
Total shareholders' equity		(43,387)	3,660
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		12,290	10,533

Nature of Operations and Going Concern

1

Approved and authorized for issuance on behalf of the Board of Directors on November 16, 2023 by:

/s/ Eric Entz

Director

/s/ Robert Birmingham

Director

IMPACT ANALYTICS INC. (FORMERLY AXIOM CAPITAL ADVISORS INC.)

(Formerly Axiom Capital Advisors Inc.)

Condensed Interim Statements of Net and Comprehensive Income

(Unaudited)

(Expressed in Canadian dollars)

	Three months ended September 30, 2023	Three months ended September 30, 2022
	\$	\$
REVENUE	8,244	16,177
	8,244	16,177
EXPENSES		
Professional fees	(33,639)	(3,150)
Regulatory fees	(2,850)	(9,343)
Rental payments	(4,000)	(6,000)
Office expenses	(4,649)	(1,416)
Interest and bank charges	(153)	(113)
Financing fees	(10,000)	-
Share based compensation	(3,526)	-
	58,817	20,022
NET AND COMPREHENSIVE LOSS FOR THE PERIOD	(50,573)	(3,845)
Basic & Diluted weighted average shares outstanding	6,472,100	6,472,100
Basic net loss per share	(0.008)	(0.001)

(The accompanying notes are an integral part of these financial statements)

IMPACT ANALYTICS INC. (FORMERLY AXIOM CAPITAL ADVISORS INC.)

Condensed Interim Statement of Changes in Shareholders' Equity

(Unaudited)

(Expressed in Canadian dollars)

	Number of common shares	Share capital	Options & Warrants	Deficit	Total
		\$		\$	\$
Balance, June 30, 2022	6,472,100	189,800	-	(187,250)	2,550
Net income (loss) for the period	-	-	-	(3,845)	(3,845)
Balance, September 30, 2022	6,472,100	189,800	-	(191,095)	(1,295)
Balance, June 30, 2023	6,472,100	189,800	-	(186,140)	3,660
Options	-	-	3,526	-	3,526
Net loss for the period	-	-	-	(50,573)	(50,573)
Balance, September 30, 2023	6,472,100	189,800	3,526	(236,713)	(43,387)

(The accompanying notes are an integral part of these financial statements)

IMPACT ANALYTICS INC. (FORMERLY AXIOM CAPITAL ADVISORS INC.)

Condensed Interim Statements of Cash Flows

(Unaudited)

(Expressed in Canadian dollars)

	Notes	Three months ended September 30, 2023	Three months ended September 30, 2022
		\$	\$
Operating activities			
Net loss		(50,573)	(3,845)
Items not affecting cash:			
Share based compensation		3,526	-
		(47,047)	(3,845)
Changes in non-cash working capital:			
Accounts payable and accrued liabilities	6	29,884	(3,248)
Loan payable	7	20,000	5,716
Due to related party	8	(1,080)	999
Net cash provided from (used in) operating activities		1,757	(378)
Change in cash		1,757	(378)
Cash, beginning		10,352	5,865
Cash, end		12,109	5,487

(The accompanying notes are an integral part of these financial statements)

IMPACT ANALYTICS INC. (FORMERLY AXIOM CAPITAL ADVISORS INC.)

Notes to the financial statements

For the three months ended September 30, 2023, and 2022

(Unaudited)

(Expressed in Canadian dollars)

1. NATURE OF OPERATIONS AND GOING CONCERN

Impact Analytics Inc. (formerly Axiom Capital Advisors 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 on August 13, 2020, under the symbol "ACA".

The business of the Company is to sell a minority interest in the subsidiaries it forms to arms-length purchasers, which allows the 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 locked-in retirement account or a tax-free savings account. The purchasers of these subsidiaries 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.

The outbreak of the novel strain of coronavirus, specifically identified as "COVID19" was declared a global pandemic by the World Health Organization on March 11, 2020. Governments worldwide enacted emergency measures to combat the spread of the virus. The measures have caused material disruption to businesses globally resulting in an economic slowdown. Global equity markets have experienced significant volatility and weakness. Governments and central banks have reacted with significant monetary and fiscal interventions designed to stabilize economic conditions. The duration and impact of the COVID19 outbreak is unknown at this time, as is the efficacy of the government and central bank interventions.

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.

2. BASIS OF PRESENTATION

Statement of Compliance

The financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and interpretations of the IFRS Interpretation Committee.

The financial statements were authorized for issue by the Directors of the Company on November 16, 2023.

Basis of Measurement

These financial statements have been prepared on the historical cost basis except for items where an alternative basis is required by IFRS. Details on these items are included below in Note 3, Significant Accounting Policies.

Functional and presentation currency

These financial statements are presented in Canadian dollars, which is the Company's functional currency.

IMPACT ANALYTICS INC. (FORMERLY AXIOM CAPITAL ADVISORS INC.)

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(Unaudited)

(Expressed in Canadian dollars)

2. BASIS OF PRESENTATION (Continued)

Use of estimates and judgments

The preparation of financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses.

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Accounting estimates will, by definition, seldom equal the actual results. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future years affected.

Information about significant areas of estimation uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amounts recognized in the financial statements are as follows:

Determination of fair values of subsidiaries and consolidation

The Company is the majority shareholder in a number of subsidiaries. The Company does not consolidate the financial statements of these subsidiaries (see Note 3). The contractual arrangements with the subsidiaries prohibit the Company from selling its investment and instead requires the Company to return its shares to the treasury of the subsidiary companies upon termination of the agreement in return for the original amount paid by the Company. Accordingly, the Company has determined that the fair value of the shares of these subsidiaries is the original amount paid for by the Company on acquisition.

3. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies set out below have been applied consistently to all periods presented in these financial statements.

Cash

Cash comprises of cash on hand, deposits held at banks and short-term, low risk investments which can be quickly liquidated into known amounts of cash.

Financial Instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

i) Financial assets

The Company classifies its financial assets in the following measurement categories:

- Assets carried at amortized cost ("Amortized Cost")
- Assets carried at fair value through other comprehensive income ("FVOCI")
- Assets carried at fair value through profit and loss ("FVTPL")

The classification depends on both the Company's business model for managing the financial instrument and the contractual terms of the instrument itself.

IMPACT ANALYTICS INC. (FORMERLY AXIOM CAPITAL ADVISORS INC.)

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3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Financial Instruments (Continued)

i) Financial assets (Continued)

A financial asset is classified as Amortized Cost if the objective of the business model is to hold the financial asset for the collection of the cash flows; and all contractual cash flows represent only principal and interest on that principal. The account receivable is classified as Amortized Cost.

A financial asset is classified as FVOCI if the financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payment of principal and interest on the principal amount outstanding. The investments in private companies are classified as FVOCI.

All financial assets that do not meet the criteria to be classified as Amortized Cost or FVOCI are classified as FVTPL, which includes all derivative financial assets. The Company may make an irrevocable election to designate a financial asset that would otherwise be classified in another category as FVTPL. If the election is made it is irrevocable, meaning that asset must remain categorized as FVTPL until that asset is derecognized. Cash is classified as FVTPL.

Recognition and derecognition

Purchases and sale of financial assets are recognized on the settlement date, which is the date in which the asset is delivered to or by the Company. Financial assets are derecognized when the rights to receive cash flows have expired or are transferred and the Company has transferred substantially all risks and rewards of ownership.

Measurement

Financial assets carried at Amortized Cost or FVOCI are initially measured at their fair value plus transactions costs. Financial assets carried at FVTPL are initially measured at their value, with any associated transaction costs being immediately expensed through profit or loss.

Subsequent measurement of financial assets depends on the category the asset has been assigned to:

Gains or losses on assets carried at Amortized Cost are recorded in profit or loss upon derecognition, or earlier if the asset is impaired.

Gains or losses on assets carried at FVOCI are recorded in other comprehensive income, except for impairment, interest, dividend and foreign exchange related gains and losses, which are recorded in profit or loss. Upon derecognition of an asset categorized as FVOCI, the net gains or losses related to the asset previously recorded in other comprehensive income are reclassified to profit or loss.

Gains or losses on assets carried at FVTPL are recorded in profit or loss in the period in which they occur.

Impairment

The Company addresses at each reporting date whether there is objective evidence that a financial asset, other than those carried at FVTPL, or a group of financial assets, is impaired. When impairment has occurred, the carrying amount of the financial asset is reduced by the impairment loss directly and the loss is recognized in profit and loss.

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3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Financial Instruments (Continued)

i) Financial assets (Continued)

Individually significant financial assets are tested for impairment on an individual basis. The remaining financial assets are assessed collectively in groups that share similar credit risk characteristics.

For financial assets carried at Amortized Cost, the amount of impairment loss recognized is the difference between the assets carrying amount and the present value of estimated future cash flows, discounted at the financial assets' original effective interest rate. An impairment loss on financial assets carried at Amortized Cost can be reversed if the reversal can be related objectively to an event occurring after the impairment was recognized. In such cases, the previously recognized impairment loss is reversed through profit or loss to the extent the carrying amount of the financial asset at the date the impairment is reversed does not exceed what the amortized cost would have been had the impairment not been recognized.

When an asset carried at FVOCI is considered to be impaired, cumulative gains or losses previously recognized in other comprehensive loss are reclassified to the profit or loss in the period. Any increase in fair value subsequent to an impairment loss is recognized in other comprehensive income.

ii) Financial liabilities

Financial liabilities are initially measured at fair value and subsequently measured at amortized cost for liabilities that are not hedged, and fair value for liabilities that are hedged. Non-performance risk, including the Company's own credit risk for financial liabilities, is considered when determining the fair value of financial liabilities. Accounts payable and accrued liabilities and due to related party are financial liabilities that are not hedged.

Financial liabilities are removed from the statement of financial position when it is extinguished; for example, when the obligation specified in the contract is discharged or cancelled or expired or when the terms of an existing financial liability are substantially modified. The difference between the carrying amount of a financial liability extinguished or transferred to another party and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognized in profit or loss.

Related Parties

All related party transactions and balances must be disclosed in the financial statements. This includes descriptions and amounts of the transactions, the amount of any outstanding balances and associated terms, provisions for doubtful debts related to outstanding balances and the expense recognized during the period in respect of bad or doubtful debts from related parties.

Revenue recognition

The Company's revenue is recognized in accordance with IFRS 15 by applying the following five steps:

- Identify the contracts with the customers
- Identify the separate performance obligations
- Determine the transaction price of the contract
- Allocate the transaction price to each of the separate performance obligations, and
- Recognize the revenue as each performance obligation is satisfied.

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3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Revenue recognition (Continued)

Management has concluded that performance obligations associated with initial and annual corporate finance fees are satisfied at the point in time when the agreements are executed and on the subsequent annual anniversary dates. Variable usage based corporate finance fees are recognized in the period the usage occurs.

Management has concluded that performance obligations associated with administration agreement are satisfied when billed on the basis that there is simultaneous receipt and consumption of benefits by the customer.

Subsidiaries

The Company relies on the guidance provided in IFRS 10, Consolidated financial statements to determine its accounting treatment of investments in its subsidiaries.

IFRS 10 provides a different definition of control for consolidation purposes than the typical definition used in determining legal control. Legal control is presumed to exist when an entity holds more than 50% of the voting shares in a corporation, since the entity then has the power to govern, or control, the corporation. However, IFRS 10 lays out three specific requirements that must be met for control to exist:

- Power over the subsidiary;
- Exposure, or rights, to variable returns from its involvement with the subsidiary; and
- The ability to use its power over the subsidiary to affect the amount of the subsidiary's returns.

Earnings per share

The Company presents basic and diluted earnings per share data for its common shares. Basic earnings per share is calculated by dividing earnings attributable to the equity shareholders by the weighted average number of common shares outstanding during the period. Diluted earnings per share are determined by adjusting the weighted average number of common shares for the dilutive effect of share-based payments using the treasury stock method. Under this method, stock options, whose exercise price is less than the average market price of the Company's common shares, are assumed to be exercised and the proceeds used to repurchase common shares at the average market price for the period.

4. DETERMINATION OF FAIR VALUE

Certain of the Company's accounting policies and disclosures require the determination of fair value for assets and liabilities. Fair values have been determined for measurement and/or disclosure purposes based on the following methods. When applicable, further information about the assumptions made in determining fair values is disclosed in the notes specific to that asset or liability.

The significance of inputs used in making fair value measurements for assets and liabilities measured at fair value are examined and classified according to a fair value hierarchy:

Level 1

Items that are classified at level 1 have their fair values determined by reference to quoted prices in active markets for identical assets and liabilities.

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4. DETERMINATION OF FAIR VALUE (Continued)

Level 2

Items that are classified at level 2 have their fair values determined using inputs other than quoted prices, for which all significant outputs are observable, either directly or indirectly, and are based on valuation models and techniques where the inputs are derived from quoted indices.

Level 3

Items that are classified at level 3 have their fair values determined using inputs that are unobservable and significant to the overall fair value measurement.

The designation of the Company's assets which require the assessment of fair value are as follows:

- Cash, Level 1
- Investments in private companies, Level 3

5. FINANCIAL RISK MANAGEMENT

Overview

The Company's planned operations will expose it to a variety of financial risks that arise as a result of its operating and financing activities:

- Credit risk
- Liquidity risk; and,
- Market risk

This note presents information about the Company's exposure to each of the above risks, the Company's objectives, policies and processes for measuring and managing risks, and the Company's management of capital.

The Company employs risk management strategies and policies to ensure that any exposure to risk is in compliance with the Company's business objectives and risk tolerance levels. While the Company have the overall responsibility for the establishment and oversight of the Company's risk management framework, management has the responsibility to administer and monitor these risks.

Credit Risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations.

The maximum exposure to credit risk as at September 30, 2023 is as follows:

	September 30, 2023	June 30, 2023
Cash	12,109	10,352
Total	12,109	10,352

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they are due. The Company's approach to managing liquidity is to ensure it will have sufficient liquidity to meet its liabilities when due. The Company's ongoing liquidity will be impacted by various external events and conditions.

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(Unaudited)

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5. FINANCIAL RISK MANAGEMENT (Continued)

Liquidity risk (Continued)

The maximum exposure to liquidity risk at September 30, 2023 is as follows:

	September 30, 2023	June 30, 2023
Accounts payable and accrued liabilities	35,677	5,793
Loan payable	20,000	-
Due to related party	-	1,080
Total	55,677	6,873

Market risk

Market risk is the risk that changes in market prices, such as interest rates, will affect the Company's net income or the value of financial instruments. The objective of the Company is to manage and mitigate market risk exposures within acceptable limits, while maximizing returns.

Interest rate risk

Interest rate risk is the risk that future cash flows will fluctuate as a result of changes in market interest rates. As the Company does not currently have any interest-bearing debt, the Company is not exposed to interest rate risk.

The Company had no interest rate swaps or financial contracts in place as at or during the period ended September 30, 2023.

Capital management

The Company's capital management policy is to maintain a strong capital base that optimizes the Company's ability to grow, maintain investor and creditor confidence and to provide a platform to create value for its unitholders. The Company intends to maintain a flexible capital structure to maximize its ability to pursue additional opportunities, which considers the Company's early stage of development and the requirement to sustain future development of the business.

The Company will manage its capital structure and make changes to it in light of changes to economic conditions and the risk characteristics of the nature of the business. The Company considers its capital structure to include shareholders' equity and working capital. In order to maintain or adjust the capital structure, the Company may from time-to-time issue shares, seek debt financing and adjust its capital spending to manage its current and projected capital structure.

The Company monitors capital based on its current working capital, projected cash flow from operations and anticipated capital expenditures.

The Company is not subject to externally imposed capital requirements.

The Company defines capital as equity which at September 30, 2023 was (\$43,387) (June 30, 2023 - \$3,660).

6. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

As of the end of the quarter, accounts payable and accrued liabilities amounted to \$35,677.

IMPACT ANALYTICS INC. (FORMERLY AXIOM CAPITAL ADVISORS INC.)

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7. LOAN PAYABLE

The company received loan amounting to \$20,000 from Marlin Capital Strategies. The conditions of the loan specified that the Borrower agrees to pay to the Lender annual interest payments on the outstanding principal balance at the rate of ten percent per annum, calculated annually in arrears, and payable on demand, as well as a ten-thousand dollar facilitation fee. The note is also repayable within 30 days of the Lender providing the Borrower with written notice of demand. Interest amounting to \$27.40 and \$10,000 financing fees have been accrued for the quarter. The loan amount is outstanding as of the end of the period.

8. RELATED PARTY TRANSACTIONS

Key management personnel are the persons responsible for the planning, directing and controlling the activities of the Company and includes both executive and non-executive directors. The Company considers all of its directors and executive management team members to be key management personnel. The Company paid \$nil in management compensation for the period ended September 30, 2023 (September 30 2022: \$nil).

During the period, the Company paid rent of \$4,000 (2022 - \$6,000) to members of management.

The balance of \$1,080 (June 30, 2023 - \$1,080) is due to related parties remains outstanding as at September 30, 2023, it is non-interest bearing and has no fixed terms of repayment.

9. SHARE CAPITAL

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 September 30, 2023, 840,615 Class A common shares are held in escrow and are scheduled for release in accordance with the terms of the escrow agreement and National Policy 46-201 Escrow for Initial Public Offerings.

Share options

On September 25, 2023, the Company issued an aggregate of 1,290,000 stock options to certain directors 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. Fifty per cent of the options vest six months after issue, and the remaining 50% will vest one year after issue. The options are governed by the corporation's omnibus equity incentive plan, adopted by the Company and approved by shareholders on September 20, 2023.

The fair value of the warrants was estimated using the Black Scholes option pricing model and the following weighted average assumptions: share price - \$0.11; exercise price - \$0.11; expected life – 24 months; annualized volatility – 115%; quarterly dividend yield – 0%; risk-free rate – 4.95%.

The following is a summary of the changes in the Company's stock option activities for the three months ended September 30, 2023:

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9. SHARE CAPITAL (Continued)**Share options (Continued)**

	September 30, 2023		September 30, 2022	
	Number of options	Exercise Price	Number of options	Exercise Price
Outstanding, beginning	-	-	-	-
Granted	1,290,000	\$0.11	-	-
Exercised	-	-	-	-
Outstanding, ending	1,290,000	\$0.11	-	-

The following table summarizes information regarding stock options outstanding and exercisable as at September 30, 2023:

	Number of options outstanding	Number of options exercisable	Weighted- average remaining contractual life (years)	Exercise price
Expiry date				
September 20, 2025	1,290,000	0	1.98	\$ 0.11
Total	1,290,000	0	1.98	0.11

10. SUBSEQUENT EVENTS**Private placement**

On October 30, 2023, the Company has arranged a non-brokered private placement of units for gross proceeds of up to \$1-million through the sale of up to two million units at a price of 50 cents per unit. Each unit will comprise one common share in the capital of the company and one common share purchase warrant. Each warrant will be exercisable into one common share at a price of \$1.25 per share for two years from the date of issue.

Change of name to Impact Analytics

On October 20, 2023, the Company announced that it will change its name to Impact Analytics Inc. effective October 24, 2023. This decision to proceed with the name change was taken after careful consideration by management relating to the forward direction of the business. Following the name change, the corporation will proceed with its current business, however, as reflected by the name, the corporation is identifying new business lines and product developments.

Increase of outstanding shares

On October 6, 2023, the company issued shares pursuant to a share 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 share split. The corporation expects that the share split will to increase the liquidity and marketability of the common shares.