

**IMPACT ANALYTICS INC.**

(FORMERLY AXIOM CAPITAL ADVISORS INC.)

Condensed Interim Financial Statements

For the three and six months ended December 31, 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 Consolidated Financial Statements

For the three and six months ended December 31, 2023 and 2022

(Unaudited)

(Expressed in Canadian dollars)

---

**NOTICE OF NO AUDITOR REVIEW OF INTERIM FINANCIAL STATEMENTS**

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 the financial statements have not been reviewed by an auditor.

The accompanying unaudited condensed interim 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 the Chartered Professional Accountants of Canada for a review of interim financial statements by an entity's auditor.

(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	December 31, 2023	June 30, 2023 (Audited)
		\$	\$
<b>ASSETS</b>			
<b>Current</b>			
Cash		240,230	10,352
Prepaid expenses		273,058	-
		513,288	10,352
<b>Non-current</b>			
Investments in private companies		181	181
<b>TOTAL ASSETS</b>		<b>513,469</b>	<b>10,533</b>
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>			
<b>Current</b>			
Accounts payable and accrued liabilities	6	92,067	5,793
Loan payable	7	80,000	-
Due to related party	8	-	1,080
		172,067	6,873
<b>Shareholders' equity</b>			
Share capital	9	879,370	189,800
Reserves		34,192	-
Deficit		(572,160)	(186,140)
Total shareholders' equity		341,402	3,660
<b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>		<b>513,469</b>	<b>10,533</b>

Nature of Operations and Going Concern

1

Approved and authorized for issuance on behalf of the Board of Directors on February 29, 2024 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)

	Notes	Three months ended December 31, 2023	Three months ended December 31, 2022	Six months ended December 31, 2023	Six months ended December 31, 2022
		\$	\$		
<b>REVENUE</b>		<b>7,666</b>	<b>19,040</b>	<b>15,910</b>	<b>35,217</b>
		<b>7,666</b>	<b>19,040</b>	<b>15,910</b>	<b>35,217</b>
<b>OTHER INCOME (EXPENSES)</b>					
Exchange Gain (Loss)		1,193	-	1,193	-
<b>EXPENSES</b>					
Professional fees		(218,819)	-	(252,458)	(3,150)
Regulatory fees		(3,163)	(2,535)	(6,013)	(11,878)
Marketing		(5,681)	-	(5,681)	-
Interest and bank charges		(31,997)	(61)	(42,150)	(143)
Office expenses		(38,927)	(1,430)	(43,576)	(2,846)
Rental payments	8	-	(6,000)	(4,000)	(12,000)
Share based compensation	9	(30,666)	-	(34,192)	-
Insurance		(1,667)	-	(1,667)	-
Director fees		(11,000)	-	(11,000)	-
		<b>343,113</b>	<b>10,026</b>	<b>401,930</b>	<b>30,017</b>
<b>NET COMPREHENSIVE INCOME (LOSS) FOR THE PERIOD</b>		<b>(335,447)</b>	<b>9,014</b>	<b>(386,020)</b>	<b>5,200</b>
Basic & Diluted weighted average shares outstanding		24,871,448	6,472,100	15,671,774	6,472,100
Basic net income (loss) per share		(0.013)	0.001	(0.025)	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)

	Note	Number of common shares	Share capital	Shares to be issued	Options & Warrants	Deficit	Total
			\$			\$	\$
<b>Balance, June 30, 2022</b>		<b>6,472,100</b>	<b>189,800</b>	-	-	<b>(187,250)</b>	<b>2,550</b>
Net income for the period		-	-	-	-	5,200	5,200
<b>Balance, December 31, 2022</b>		<b>6,472,100</b>	<b>189,800</b>	-	-	<b>(182,050)</b>	<b>7,750</b>
<b>Balance, June 30, 2023</b>		<b>6,472,100</b>	<b>189,800</b>	-	-	<b>(186,140)</b>	<b>3,660</b>
Share issued: Stock split	9	19,416,300	-	-	-	-	-
Shares issued for private placements	9	1,129,140	564,570	125,000	-	-	689,570
Options	9	-	-	-	34,192	-	34,192
Net loss for the period		-	-	-	-	(386,020)	(386,020)
<b>Balance, December 31, 2023</b>		<b>27,017,540</b>	<b>754,370</b>	<b>125,000</b>	<b>34,192</b>	<b>(572,160)</b>	<b>341,402</b>

(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	Six months ended December 31, 2023	Six months ended December 31, 2022
		\$	\$
<b>Operating activities</b>			
Net income (loss)		(386,020)	5,200
Items not affecting cash:			
Share based compensation		34,192	-
		(351,828)	5,200
Changes in non-cash working capital:			
Accounts receivable		-	12,306
Prepaid expenses		(273,058)	-
Accounts payable and accrued liabilities	6	86,274	(3,484)
Net cash provided from (used in) operating activities		(538,612)	14,022
<b>Financing activities</b>			
Net proceeds from issuance of shares		689,570	-
Loan payable	7	80,000	-
Repayments to related party	8	(1,080)	(15,033)
Net cash provided from (used in) financing activities		768,490	(15,033)
<b>Change in cash</b>		<b>229,878</b>	<b>(1,011)</b>
Cash, beginning		10,352	5,865
Cash, end		240,230	4,854

(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 and six months ended December 31, 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 (CSE) on August 13, 2020 (Symbol "ACA") and is now identified by the symbol "PACT" following its name change on October 20, 2023.

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 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 February 29, 2024.

### **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, Material 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.)**

Notes to the financial statements

For the three and six months ended December 31, 2023 and 2022

(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. MATERIAL 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.)**

Notes to the financial statements

For the three and six months ended December 31, 2023 and 2022

(Unaudited)

(Expressed in Canadian dollars)

**3. MATERIAL 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.

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

Notes to the financial statements

For the three and six months ended December 31, 2023 and 2022

(Unaudited)

(Expressed in Canadian dollars)

**3. MATERIAL 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.

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

Notes to the financial statements

For the three and six months ended December 31, 2023 and 2022

(Unaudited)

(Expressed in Canadian dollars)

**3. MATERIAL 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.

**Warrants**

The Company has adopted a residual value method with respect to the measurement of shares and warrants issued as private placement units. The residual value method first allocates value to the more easily measurable component based on fair value and then the residual value, if any, to the less easily measurable component. The fair value of the common shares issued in a private placement is determined to be the more easily measurable component and are valued at their fair value, as determined by the closing quoted bid price on the day prior to the announcement date. The balance, if any, is allocated to the attached warrants. Any fair value attributed to the warrants is recorded as share-based payments reserve.

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

Notes to the financial statements

For the three and six months ended December 31, 2023 and 2022

(Unaudited)

(Expressed in Canadian dollars)

**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.

**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.

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

Notes to the financial statements

For the three and six months ended December 31, 2023 and 2022

(Unaudited)

(Expressed in Canadian dollars)

**5. FINANCIAL RISK MANAGEMENT (Continued)**

The maximum exposure to credit risk as at December 31, 2023 is as follows:

	<b>December 31, 2023</b>	<b>June 30, 2023</b>
Cash	240,230	10,352
<b>Total</b>	<b>240,230</b>	<b>10,352</b>

**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.

The maximum exposure to liquidity risk at December 31, 2023 is as follows:

	<b>December 31, 2023</b>	<b>June 30, 2023</b>
Accounts payable and accrued liabilities	92,067	5,793
Loan payable	80,000	-
Due to related party	-	1,080
<b>Total</b>	<b>172,067</b>	<b>6,873</b>

**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 December 31, 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.

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

Notes to the financial statements

For the three and six months ended December 31, 2023 and 2022

(Unaudited)

(Expressed in Canadian dollars)

**5. FINANCIAL RISK MANAGEMENT (Continued)****Capital management (Continued)**

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 December 31, 2023 was \$341,402 (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 \$92,067.

**7. LOAN PAYABLE**

The Company received four tranches of \$20,000 loan from Marlin Capital Strategies during the period. The terms and conditions of the loan requires the Company to pay back annual interest payments on the outstanding principal balance at the rate of ten percent (10%) per annum, calculated annually in arrears, and payable on demand. Each tranche of the loan also includes a \$10,000 facilitation fee.

The loan is also repayable within 30 days of the Lender providing the Company with written notice of demand. The loan has accrued interest of \$1,441 as at December 31, 2023 (June 30, 2022 \$nil), and the total principal amount of \$80,000 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.

Transactions with related parties impacting the financial statements during the three and six months periods are summarized below:

	<b>For the three months ended December 31,</b>		<b>For the six months ended December 31,</b>	
	<b>2023</b>	<b>2022</b>	<b>2023</b>	<b>2022</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
Professional fees	31,706	-	31,706	-
Rental payments	-	6,000	4,000	12,000
Share-based compensation (Note 9)	5,943	-	6,626	-
Director fees	11,000	-	11,000	-
<b>Total</b>	<b>48,649</b>	<b>6,000</b>	<b>53,332</b>	<b>12,000</b>

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

Notes to the financial statements

For the three and six months ended December 31, 2023 and 2022

(Unaudited)

(Expressed in Canadian dollars)

**8. RELATED PARTY TRANSACTIONS (Continued)**

During the six months ended December 31, 2023, the Company paid \$4,000 (2022 - \$12,000) in rent to Evan Baergen and Dwight Martin up to the date of their resignation on September 25, 2023. During the three months ended December 31, 2023, the Company paid \$Nil (2022 - \$6,000) in rent to Evan Baergen and Dwight Martin. The Company appointed new Directors and the sum of \$11,000 was recognized as Director fees for the three and six months ended December 31, 2023 (December 31, 2022: \$nil).

The due to related party in the statements of financial position is \$nil as of December 31, 2023 (June 30, 2023 - \$1,080).

As at December 31, 2023, the Company had \$16,125 (June 30, 2023 - \$nil) outstanding accounts payable due to related parties.

During the six months ended, the company granted 1,290,000 incentive stock options to certain directors, officers and consultants as share-based compensation. Fifty percent of the options vest six months after issue, and the remaining fifty percent will vest one year after issue.

**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 December 31, 2023, no Class A common shares are held in escrow.

**Stock split**

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 increase the liquidity and marketability of the common shares.

**Private placement**

On October 30, 2023, the Company 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 includes 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.

The Company completed the first tranche of private placements on December 8, 2023. Gross proceeds of \$348,000 through the sale of 696,000 units at a price of 50 cents per unit were raised. The second tranche was completed on December 15, 2023, with gross proceeds of \$216,570 through the sale of 433,140 units at a price of 50 cents per unit. The third tranche was completed subsequent to the period end (note 10).

The following is a summary of the changes in the Company's warrants activities for the three months ended December 31, 2023:

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

Notes to the financial statements

For the three and six months ended December 31, 2023 and 2022

(Unaudited)

(Expressed in Canadian dollars)

**9. SHARE CAPITAL (Continued)**

	<b>December 31, 2023</b>		<b>December 31, 2022</b>	
	<b>Number of warrants</b>	<b>Exercise Price</b>	<b>Number of warrants</b>	<b>Exercise Price</b>
Outstanding, beginning	-	-	-	-
Granted	1,129,140	\$1.25	-	-
Exercised	-	-	-	-
<b>Outstanding, ending</b>	<b>1,129,140</b>	<b>\$1.25</b>	<b>-</b>	<b>-</b>

The following table summarizes information regarding warrants outstanding and exercisable as at December 31, 2023

	<b>Number of warrants outstanding</b>	<b>Number of warrants exercisable</b>	<b>Weighted- average remaining contractual life (years)</b>	<b>Exercise price</b>
<b>Expiry date</b>				
December 8, 2025	696,000	696,000	1.94	\$ 1.25
December 15, 2025	433,140	433,140	1.96	1.25

**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 percent of the options vest six months after issue, and the remaining Fifty percent 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 – 4.90%.

On October 6, 2023, the company issued shares pursuant to a share split of 4:1 basis and outstanding shares options increased from 1,290,000 common shares to 5,160,000 share options directly following completion of the share split.



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

Notes to the financial statements

For the three and six months ended December 31, 2023 and 2022

(Unaudited)

(Expressed in Canadian dollars)

**9. SHARE CAPITAL (Continued)**

The following is a summary of the changes in the Company's stock option activities for the three months ended December 31, 2023:

	December 31, 2023		December 31, 2022	
	Number of options	Exercise Price	Number of options	Exercise Price
Outstanding, beginning	-	-	-	-
Granted	1,290,000	\$0.11	-	-
Exercised	-	-	-	-
Share Split	3,870,000	-	-	-
<b>Outstanding, ending</b>	<b>5,160,000</b>	<b>\$0.03</b>	-	-

The following table summarizes information regarding stock options outstanding and exercisable as at December 31, 2023:

	Number of options outstanding	Number of options exercisable	Weighted- average remaining contractual life (years)	Exercise price
<b>Expiry date</b>				
September 20, 2025	5,160,000	0	1.74	\$ 0.03

**10. SUBSEQUENT EVENTS****\$1,000,000 Private placement final tranche**

On January 12, 2024, the Company announced that it had completed the third and final tranche of its non-brokered private placement of units for gross proceeds of \$187,500 through the sale of 375,000 units at a price of 50 cents per unit. Each unit comprises 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.

**\$2,000,000 Private placement**

On February 1, 2024, the Company announced that it intends to complete a non-brokered private placement offering of units for a total target amount of up to \$2 million. The offering will consist of up to 1,550,387 units, priced at \$1.29 per unit. Each unit will comprise one common share in the capital of the company and one-half of one common share purchase warrant, with each warrant exercisable for a period of one year at a price of \$2 per warrant.