

**IMPACT ANALYTICS INC.**

(FORMERLY AXIOM CAPITAL ADVISORS INC.)

Condensed Interim Financial Statements

For the three and nine months ended March 31, 2024 and 2023

(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	March 31, 2024	June 30, 2023 (Audited)
		\$	\$
<b>ASSETS</b>			
<b>Current</b>			
Cash		136,067	10,352
Prepaid expenses	7	333,535	-
		469,602	10,352
<b>Non-current</b>			
Investments in private companies	12	181	181
<b>TOTAL ASSETS</b>		<b>469,783</b>	<b>10,533</b>
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>			
<b>Current</b>			
Accounts payable and accrued liabilities	6	178,626	5,793
Due to related party	9	-	1,080
		178,626	6,873
<b>Shareholders' equity</b>			
Share capital	10	2,120,464	189,800
Reserves	10	64,866	-
Deficit		(1,894,173)	(186,140)
Total shareholders' equity		291,157	3,660
<b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>		<b>469,783</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 August 19, 2024 by:

/s/ Colin Frost

Director

/s/ Robert Birmingham

Director

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

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

Condensed Interim Statements of Net and Comprehensive Income

(Unaudited)

(Expressed in Canadian dollars)

	Notes	Three months ended March 31, 2024	Three months ended March 31, 2023	Nine months ended March 31, 2024	Nine months ended March 31, 2023
		\$	\$	\$	\$
<b>REVENUE</b>		3,750	12,976	19,660	48,193
		3,750	12,976	19,660	48,193
<b>OTHER INCOME (EXPENSES)</b>					
Exchange Gain (Loss)		(5,041)	-	(6,234)	-
<b>EXPENSES</b>					
Professional fees	9	(337,078)	(251)	(589,536)	(3,402)
Regulatory fees		(2,039)	(3,525)	(8,052)	(15,402)
Marketing	9	(200,624)	-	(206,305)	-
Interest and bank charges	8	(12,628)	(64)	(54,778)	(206)
Office expenses		(109,411)	(1,327)	(152,987)	(4,174)
Rental payments		-	(6,000)	(4,000)	(18,000)
Share based compensation	9,10	(404,773)	-	(438,965)	-
Insurance		(5,000)	-	(6,667)	-
Director fees	9	(24,000)	-	(35,000)	-
Development Expenses	11	(165,169)	-	(165,169)	-
Bonus Expenses	9	(60,000)	-	(60,000)	-
		1,320,722	11,167	1,721,459	41,184
<b>NET COMPREHENSIVE INCOME (LOSS) FOR THE PERIOD</b>		<b>(1,322,013)</b>	<b>1,809</b>	<b>(1,708,033)</b>	<b>7,009</b>
Basic & Diluted weighted average shares outstanding		27,454,518	6,472,100	19,570,791	6,472,100
Basic & Diluted net income (loss) per share		(0.048)	0.000	(0.087)	0.001

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

Condensed Interim Statement of Changes in Shareholders' Equity

(Unaudited)

(Expressed in Canadian dollars)

	Notes	Number of common shares	Share capital	Restricted Stock Reserve	Options & Warrants Reserve	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		-	-	-	-	7,009	7,009
<b>Balance, March 31, 2023</b>		<b>6,472,100</b>	<b>189,800</b>	-	-	<b>(180,241)</b>	<b>9,559</b>
<b>Balance, June 30, 2023</b>		<b>6,472,100</b>	<b>189,800</b>	-	-	<b>(186,140)</b>	<b>3,660</b>
Stock split	9,10	19,416,300	-	-	-	-	-
Shares issued from private placements	10	2,127,780	1,556,566	-	-	-	1,556,566
Share-based compensation	9,10	-	-	-	64,866	-	64,866
Restricted stock units granted	9,10	-	-	374,098	-	-	374,098
Shares issued from RSUs vested	9,10	221,360	374,098	(374,098)	-	-	-
Net loss for the period		-	-	-	-	(1,708,033)	(1,708,033)
<b>Balance, March 31, 2024</b>		<b>28,237,540</b>	<b>2,120,464</b>	-	<b>64,866</b>	<b>(1,894,173)</b>	<b>291,157</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	Nine months ended March 31, 2024	Nine months ended March 31, 2023
		\$	\$
<b>Operating activities</b>			
Net income (loss)		(1,708,033)	7,009
Items not affecting cash:			
Share based compensation	9,10	438,965	-
		(1,269,069)	7,009
Changes in non-cash working capital:			
Accounts receivable		-	7,056
Prepaid expenses		(333,535)	-
Accounts payable and accrued liabilities	6	172,833	(4,364)
Due to related party	9	-	(11,033)
Net cash provided from (used in) operating activities		(1,429,771)	(1,332)
<b>Financing activities</b>			
Net proceeds from issuance of shares	10	1,556,566	-
Loan proceeds	8	100,000	-
Repayment of loans	8	(100,000)	-
Repayments to related parties	9	(1,080)	-
Net cash provided from (used in) financing activities		1,555,486	-
<b>Change in cash</b>		<b>125,715</b>	<b>(1,332)</b>
Cash, beginning		10,352	5,865
<b>Cash, end</b>		<b>136,067</b>	<b>4,533</b>

(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 nine months ended March 31, 2024 and 2023

(Unaudited)

(Expressed in Canadian dollars)

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

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

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**

These condensed interim financial statements are unaudited and have been prepared in accordance with IAS 34 'Interim Financial Reporting' ("IAS 34") using accounting policies consistent with the International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and interpretations of the IFRS Interpretation Committee.

The accounting policies and methods of computation applied by the Company in these condensed interim financial statements are the same as those applied in the Company's annual financial statements for the year ended June 30, 2023.

The financial statements were authorized for issue by the Directors of the Company on August 19, 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.

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

Notes to the financial statements

For the three and nine months ended March 31, 2024 and 2023

(Unaudited)

(Expressed in Canadian dollars)

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## **2. BASIS OF PRESENTATION (Continued)**

### **Functional and presentation currency**

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

### **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")

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

Notes to the financial statements

For the three and nine months ended March 31, 2024 and 2023

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## **3. MATERIAL ACCOUNTING POLICIES (Continued)**

### **Financial Instruments (Continued)**

#### **i) Financial assets (Continued)**

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

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.



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

Notes to the financial statements

For the three and nine months ended March 31, 2024 and 2023

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## **3. MATERIAL ACCOUNTING POLICIES (Continued)**

### **Financial Instruments (Continued)**

#### **i) Financial assets (Continued)**

##### **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.

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.

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

Notes to the financial statements

For the three and nine months ended March 31, 2024 and 2023

(Unaudited)

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## **3. MATERIAL ACCOUNTING POLICIES (Continued)**

### **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.

The Company has several sources of revenue. Revenue is earned from the grant of non-exclusive, non-transferrable licenses to service providers to use the Company's platform (the "Platform"). The Company charges a license fee for software license units that covers the licensing of all of the software comprised in the Platform. Revenue from license fees is generally earned over time and is recognized on a straight-line basis over the term of the contract. Revenue is also earned as commission for the sale of leads. Revenue from commission is recognized when lead's set-up process is complete with the referral partner.

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.

While the Company holds majority ownership in the subsidiaries and can elect the Board of Directors and exert legal control over the entities, it has entered into agreements with each entity imposing long-term restrictions on the Company's ability to obtain future economic benefits through its shareholding. The investments do not meet the requirements or definition of control under IFRS 10 given the inability of the Company to use its control to affect the amount of its returns. The contractual arrangements allow the Company to earn corporate finance and administrative service fees from the subsidiaries but the Company does not have rights to receive any dividends or residual returns or any obligations to absorb losses of these subsidiaries. As the Company's investments do not meet all of the IFRS 10 criteria for control, the Company does not consolidate these subsidiaries for reporting purposes. The Company classifies its shareholdings in these subsidiaries as fair value through other comprehensive income. Therefore, gains or losses arising from changes in fair value of the shareholdings in these subsidiaries is recorded through other comprehensive income.

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

Notes to the financial statements

For the three and nine months ended March 31, 2024 and 2023

(Unaudited)

(Expressed in Canadian dollars)

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## **3. MATERIAL ACCOUNTING POLICIES (Continued)**

### **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.

### **Development**

The Company incurs certain costs in connection with the development of software to be used internally for providing services to customers are capitalized once a project has progressed beyond a conceptual, preliminary stage to that of application development. Development costs that are directly attributable to the design and testing of the software controlled by the Company are recognized as intangible assets when the following criteria are met:

- It is technically feasible to complete the software product so that it will be available for use;
  - Management intends to complete the software product and use or sell it;
  - There is an ability to use or sell the software product;
  - It can be demonstrated how the software product will generate probable future benefits;
  - Adequate technical, financial and other resources to complete the development and to use or sell the software product are available; and
- The expenditure attributable to the software product during the development can be reliably measured.

## **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.

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

Notes to the financial statements

For the three and nine months ended March 31, 2024 and 2023

(Unaudited)

(Expressed in Canadian dollars)

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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 March 31, 2024 is as follows:

	March 31, 2024	June 30, 2023
Cash	136,067	10,352
<b>Total</b>	<b>136,067</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.

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

Notes to the financial statements

For the three and nine months ended March 31, 2024 and 2023

(Unaudited)

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### 5. FINANCIAL RISK MANAGEMENT (Continued)

The maximum exposure to liquidity risk at March 31, 2024 is as follows:

	March 31, 2024	June 30, 2023
Accounts payable and accrued liabilities	178,626	5,793
Due to related party	-	1,080
<b>Total</b>	<b>178,626</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 March 31, 2024.

#### 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 March 31, 2024 was \$291,157 (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 \$178,626.

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

Notes to the financial statements

For the three and nine months ended March 31, 2024 and 2023

(Unaudited)

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**7. PREPAID EXPENSES**

As at March 31, 2024, the Company had prepaid expenses of \$333,535 (June 30, 2023 - \$Nil). Prepaid expenses were paid as follows:

<b>Prepaid Expenses</b>	<b>Period Covered</b>	<b>Expense Amount</b>	<b>March 31, 2024</b>	<b>June 30, 2023</b>
Business consultancy services	2023-12-07 to 2024-05-07	110,000	26,968	-
Business development and project management	2023-12-20 to 2024-06-20	125,000	55,107	-
Consulting services	Deposit	3,224	3,224	-
Consulting services	2024-03-20 to 2024-04-20	20,000	12,903	-
Corporate services	Deposit	10,000	10,000	-
Directors' and officers' insurance	2023-12-01 to 2024-11-30	20,000	13,333	-
Investor relations and corporate development	2024-01-24 to 2024-07-24	50,000	31,452	-
Investor relations and corporate development	2024-07-24 to 2025-01-24	175,000	175,000	-
Market making services	2024-01-22 to 2024-04-22	15,000	3,548	-
Salaries	April 2024	2,000	2,000	-
<b>Total</b>		<b>530,224</b>	<b>333,535</b>	<b>-</b>

**8. LOAN PAYABLE**

The Company received five 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 \$Nil as at March 31, 2024 (June 30, 2023 - \$nil). The Company repaid all outstanding principal, financing fees and interest during the three months ended March 31, 2024.

**9. 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.

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

Notes to the financial statements

For the three and nine months ended March 31, 2024 and 2023

(Unaudited)

(Expressed in Canadian dollars)

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

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

	<b>For the three months ended March 31,</b>		<b>For the nine months ended March 31,</b>	
	<b>2024</b>	<b>2023</b>	<b>2024</b>	<b>2023</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
Professional fees	25,531	-	57,237	-
Marketing	9,500	-	9,500	-
Bonus Expenses	40,000	-	40,000	-
Rental payments	-	6,000	4,000	18,000
Share-based compensation (Note 10)	405,942	-	412,568	-
Director fees	24,000	-	35,000	-
<b>Total</b>	<b>504,973</b>	<b>6,000</b>	<b>558,305</b>	<b>18,000</b>

- a. During the nine months ended March 31, 2024, the Company incurred \$11,205 (2023 - \$Nil) in consulting fees to Eric Entz, the previous CEO of the Company.
- b. During the nine months ended March 31, 2024, the Company incurred \$4,250 (2023 - \$Nil) in consulting fees to Joe Traversa, a Director of the Company.
- c. During the nine months ended March 31, 2024, the Company incurred \$31,282 (2023 - \$Nil) in consulting fees to Sebastian Lowes, a Director of the Company.
- d. During the nine months ended March 31, 2024, the Company incurred \$10,500 (2023 - \$Nil) in consulting fees to Laura Parken, the Corporate Secretary of the Company.
- e. During the nine months ended March 31, 2024, the Company reclassified \$5,000 (2023 - \$Nil) from consulting fees to marketing fees to Robert Birmingham, a Director of the Company, and paid this director \$9,500 (2023 - \$Nil) in marketing fees.
- f. During the nine months ended March 31, 2024, the Company incurred \$10,000 (2023 - \$Nil) in bonus expenses to Eric Entz, the previous CEO of the Company, for milestones and achievement earned.
- g. During the nine months ended March 31, 2024, the Company incurred \$30,000 (2023 - \$Nil) in bonus expenses to Sebastian Lowes, a Director of the Company, for milestones and achievement earned.
- h. During the nine months ended March 31, 2024, the Company incurred \$4,000 (2023 - \$18,000) in rent to Evan Baergen and Dwight Martin, two former Directors of the Company, up to the date of their resignation on September 25, 2023.
- i. During the nine months ended March 31, 2024, the Company incurred \$207,541 (2023 - \$Nil) in share-based compensation to Eric Entz, the previous CEO of the Company.
- j. During the nine months ended March 31, 2024, the Company incurred \$1,257 (2023 - \$Nil) in share-based compensation to Robert Birmingham, a Director of the Company.
- k. During the nine months ended March 31, 2024, the Company incurred \$1,257 (2023 - \$Nil) in share-based compensation to Joe Traversa, a Director of the Company.
- l. During the nine months ended March 31, 2024, the Company incurred \$199,999 (2023 - \$Nil) in share-based compensation to Sebastian Lowes, a Director of the Company.

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

Notes to the financial statements

For the three and nine months ended March 31, 2024 and 2023

(Unaudited)

(Expressed in Canadian dollars)

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### **9. RELATED PARTY TRANSACTIONS (Continued)**

- m. During the nine months ended March 31, 2024, the Company incurred \$1,257 (2023 - \$Nil) in share-based compensation to Simon Tso, the CFO of the Company.
- n. During the nine months ended March 31, 2024, the Company incurred \$1,257 (2023 - \$Nil) in share-based compensation to Laura Parken, the Corporate Secretary of the Company.
- o. During the nine months ended March 31, 2024, the Company incurred \$32,500 (2023 - \$Nil) in Director fees to Eric Entz, a previous Director of the Company.
- p. During the nine months ended March 31, 2024, the Company incurred \$2,500 (2023 - \$Nil) in Director fees to Joe Traversa, a Director of the Company.
- q. During the three months ended March 31, 2024, the Company incurred \$11,205 (2023 - \$Nil) in consulting fees to Eric Entz, the previous CEO of the Company.
- r. During the three months ended March 31, 2024, the Company reclassified \$5,000 (2023 - \$Nil) from consulting fees to marketing fees to Robert Birmingham, a Director of the Company, and paid this director \$9,500 (2023 - \$Nil) in marketing fees.
- s. During the three months ended March 31, 2024, the Company incurred \$14,826 (2023 - \$Nil) in consulting fees to Sebastian Lowes, a Director of the Company.
- t. During the three months ended March 31, 2024, the Company incurred \$4,500 (2023 - \$Nil) in consulting fees to Laura Parken, the Corporate Secretary of the Company.
- u. During the three months ended March 31, 2024, the Company incurred \$10,000 (2023 - \$Nil) in bonus expenses to Eric Entz, the previous CEO of the Company, for milestones and achievement earned.
- v. During the three months ended March 31, 2024, the Company incurred \$30,000 (2023 - \$Nil) in bonus expenses to Sebastian Lowes, a Director of the Company, for milestones and achievement earned.
- w. During the three months ended March 31, 2024, the Company incurred \$203,566 (2023 - \$Nil) in share-based compensation to Eric Entz, the previous CEO of the Company.
- x. During the nine months ended March 31, 2024, the Company incurred \$594 (2023 - \$Nil) in share-based compensation to Robert Birmingham, a Director of the Company.
- y. During the nine months ended March 31, 2024, the Company incurred \$594 (2023 - \$Nil) in share-based compensation to Joe Traversa, a Director of the Company.
- z. During the nine months ended March 31, 2024, the Company incurred \$199,999 (2023 - \$Nil) in share-based compensation to Sebastian Lowes, a Director of the Company.
- aa. During the nine months ended March 31, 2024, the Company incurred \$594 (2023 - \$Nil) in share-based compensation to Simon Tso, the CFO of the Company.
- bb. During the nine months ended March 31, 2024, the Company incurred \$594 (2023 - \$Nil) in share-based compensation to Laura Parken, the Corporate Secretary of the Company.
- cc. During the three months ended March 31, 2024, the Company incurred \$22,500 (2023 - \$Nil) in Director fees to Eric Entz, a previous Director of the Company.



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

Notes to the financial statements

For the three and nine months ended March 31, 2024 and 2023

(Unaudited)

(Expressed in Canadian dollars)

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## **9. RELATED PARTY TRANSACTIONS (Continued)**

dd. During the three months ended March 31, 2024, the Company incurred \$1,500 (2023 - \$Nil) in Director fees to Joe Traversa, a Director of the Company.

The due to related party in the statements of financial position is \$nil as of March 31, 2024 (June 30, 2023 - \$1,080). During the nine months ended March 31, 2024, the Company paid back the sum of \$1,080 to a former Director for amounts disbursed on behalf of the Company.

On September 25, 2023, the Company issued an aggregate of 1,290,000 stock options to certain Directors, Officers, and consultants of the corporation, with each option exercisable for one common share of the Company at an exercise price of \$0.11 for two years from the date of grant. On October 6, 2023, the Company also issued shares pursuant to a stock split of 4:1 basis and outstanding share options increased from 1,290,000 common shares to 5,160,000 following the completion of the split. On March 25, 2024, a total of 2,580,000 of the options vested, and the remaining fifty percent will vest one year after the grant date. The options are governed by the Corporation's omnibus equity incentive plan, adopted by the Company, and approved by shareholders on September 20, 2023.

On March 19, 2024, the Company issued an aggregate of 221,360 restricted share units to two Directors of the Company. The shares vested immediately and are no longer restricted. The shares had a market price of \$1.69 at vesting. The Company allocated the market value of \$374,098 to share based compensation and share capital.

As at March 31, 2024, the Company had \$2,550 (June 30, 2023 - \$nil) outstanding accounts payable due to related parties. A total of \$525 each is owed to two Directors of the Company and \$1,500 is owed to the Corporate Secretary.

## **10. 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 March 31, 2024, no Class A common shares are held in escrow.

### **Stock split**

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

### **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 \$0.50 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 this private placement on December 8, 2023. Gross proceeds of \$348,000 through the sale of 696,000 units at a price of \$0.50 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 \$0.50 per unit. The final tranche was completed on January 12, 2024, with gross proceeds of \$187,500 through the sale of 375,000 units at a price of \$0.50 per unit.

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

Notes to the financial statements

For the three and nine months ended March 31, 2024 and 2023

(Unaudited)

(Expressed in Canadian dollars)

## 10. SHARE CAPITAL (Continued)

On February 1, 2024, the Company arranged a non-brokered private placement offering of units for a total target amount of up to \$2 million. The offer consists of up to 1,550,387 units, priced at \$1.29 per unit. Each unit includes 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 two years at a price of \$2.00 per warrant.

On March 19, 2024, the Company completed the first tranche of this private placements with gross proceeds of \$804,496 through the sale of 623,640 units at a price of \$1.29 cents per unit.

### Warrants

The following is a summary of the changes in the Company's warrants activities for the nine months ended March 31, 2024:

	March 31, 2024		March 31, 2023	
	Number of warrants	Exercise Price	Number of warrants	Exercise Price
Outstanding, beginning	-	-	-	-
Granted	1,504,140	\$1.25	-	-
Granted	311,820	\$2.00	-	-
<b>Outstanding, ending</b>	<b>1,815,960</b>	<b>\$1.38</b>	-	-

The following table summarizes information regarding warrants outstanding and exercisable as at March 31, 2024

Expiry date	Number of warrants outstanding	Number of warrants exercisable	Weighted- average remaining contractual life (years)	Exercise price
December 8, 2025	696,000	696,000	1.69	\$1.25
December 15, 2025	433,140	433,140	1.71	\$1.25
January 12, 2026	375,000	375,000	1.79	\$1.25
March 19, 2026	311,820	311,820	1.97	\$2.00

### Restricted Stock Units

On March 19, 2024, the Company issued an aggregate of 221,360 restricted share units to two Directors of the Company. The shares vested immediately and are no longer restricted. The shares had a market price of \$1.69 at vesting. The Company allocated the market value of \$374,098 to share based compensation and share capital.

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

Notes to the financial statements

For the three and nine months ended March 31, 2024 and 2023

(Unaudited)

(Expressed in Canadian dollars)

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

On September 25, 2023, the Company issued an aggregate of 1,290,000 stock options to certain Directors, Officers, and consultants of the corporation, with each option exercisable for one common share of the Company at an exercise price of \$0.11 for two years from the date of grant. On October 6, 2023, the Company also issued shares pursuant to a stock split of 4:1 basis and outstanding share options increased from 1,290,000 common shares to 5,160,000 following the completion of the split. On March 25, 2024, a total of 2,580,000 of the options vested, and the remaining fifty percent will vest one year after the grant date. The 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 options was estimated using the Black Scholes option pricing model and the following weighted average assumptions: number of options – 5,160,000; share price - \$0.0275; exercise price - \$0.0275; expected life – 24 months; annualized volatility – 115%; quarterly dividend yield – 0%; risk-free rate – 4.94%.

The following is a summary of the changes in the Company's stock option activities for the nine months ended March 31, 2024:

	<b>March 31, 2024</b>		<b>March 31, 2023</b>	
	<b>Number of options</b>	<b>Exercise Price</b>	<b>Number of options</b>	<b>Exercise Price</b>
Outstanding, beginning	-	-	-	-
Granted	5,160,000	\$0.0275	-	-
<b>Outstanding, ending</b>	<b>5,160,000</b>	<b>\$0.0275</b>	-	-

The following table summarizes information regarding stock options outstanding and exercisable as at March 31, 2024:

	<b>Number of options outstanding</b>	<b>Number of options exercisable</b>	<b>Weighted- average remaining contractual life (years)</b>	<b>Exercise price</b>
<b>Expiry date</b>				
September 20, 2025	5,160,000	2,580,000	1.49	\$0.0275

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

Notes to the financial statements

For the three and nine months ended March 31, 2024 and 2023

(Unaudited)

(Expressed in Canadian dollars)

## 11. DEVELOPMENT EXPENSES

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

During the three and nine months ended March 31, 2024, the Company incurred development expenses as follows:

Three and nine months ended March 31, 2024				
	Credissential	Lana Cash	PACT platform	Total
Balance, June 30, 2023	-	-	-	-
	90,843	33,034	41,292	165,169
Balance, March 31, 2024	90,843	33,034	41,292	165,169

## 12. INVESTMENTS IN PRIVATE COMPANIES

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

As of March 31, 2024 and June 30, 2023, the Company owned the following subsidiaries:

	Cash Offer Capital Corp	1328623 B.C. Ltd.	Blue Copper Asset Fund	100003581 Ontario	1469617 B.C. Ltd.	Total
Place of Business	British Columbia, Canada	British Columbia, Canada	Alberta, Canada	Ontario, Canada	British Columbia, Canada	
Ownership, June 30, 2023 and March 31, 2024	60%	60%	60%	60%	60%	
Fair Value, June 30, 2023 and March 31, 2024	60	60	1	60	Nil	181

## 13. SUBSEQUENT EVENTS

### Strategic Direction

On April 10, 2024, the Company announced the resignation of Eric Entz, who was the Chief Executive Officer (CEO) and Director of the Company. Following his resignation was the appointment of Colin Frost as the new CEO and Director of the Company. Eric Entz will continue on with the Company as vice-president of business development and communications.

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

Notes to the financial statements

For the three and nine months ended March 31, 2024 and 2023

(Unaudited)

(Expressed in Canadian dollars)

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### **13. SUBSEQUENT EVENTS (Continued)**

#### **Impact Analytics arranges private placements**

On June 14, 2024, the Company intends to complete a non-brokered private placement offering of units for a total target amount of up to \$850,000. The offering will consist of up to 1,268,656 units priced at 67 cents per unit. Each unit will comprise one common share in the capital of the company and one common share purchase warrant, with each warrant exercisable for a period of five years at a price of 83 cents per warrant.

On June 21, 2024, the Company has completed its upsized non-brokered private placement of units for gross proceeds of \$915,000 through the sale of 1,365,672 units at a price of 67 cents per unit. The company increased from a target amount of \$850,000 to a target amount of \$915,000.24 due to an increased interest by investors to participate in the private placement. Each unit is composed of one common share in the capital of the company and one of one common share purchase warrant. Each warrant will be exercisable into one common share at a price of 83 cents per share for five years from the date of issue.

#### **Option cancellation**

On June 28, 2024, the Company has cancelled an aggregate of 5.16 million stock options of the company. The stock options were exercisable to acquire common shares of the company at an exercise price of 2.75 cents until Sept. 25, 2025. All of the stock options were voluntarily surrendered by the holders thereof for no consideration.

#### **Impact Analytics arranges \$5.35-million note offering**

On July 25, 2024, the Company has engaged New York, N.Y., based Joseph Gunnar & Co. LLC to act as financial adviser and sole bookrunner for a proposed firm commitment underwritten public offering and listing of the company on a senior U.S. stock exchange. The Company also signed a subscription agreement with an arm's-length institutional investor in respect of the proposed issuance of senior unsecured convertible notes in the principal amount of up to \$5.35-million.

#### **Impact Analytics closes \$5.35-million note financing**

On August 6, 2024, the Company has closed the previously announced subscription agreement with an arm's-length institutional investor, in respect of the issuance of senior unsecured convertible notes in the principal amount of up to \$5.35-million.

#### **Impact Analytics signs LOI to acquire Antenna**

On August 9, 2024, the Company has entered into a non-binding letter of intent (LOI) with Antenna Transfer Inc., dated August 8, 2024, contemplating a potential acquisition by the company of Antenna from the shareholders of Antenna.

#### **Impact Analytics closes Antenna Transfer acquisition**

On August 16, 2024, the Company has closed the transaction with Antenna Transfer Inc., pursuant to a definitive agreement dated August 15, 2024.