

**Credissential Inc. (formerly Impact Analytics Inc.)**  
**Condensed Interim Consolidated Financial Statements**  
**For the three months ended September 30, 2024 and 2023**  
**Unaudited – Prepared by Management**  
**(Expressed in Canadian dollars)**

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

**As at September 30, 2024 and June 30, 2024**

	Note	September 30, 2024 \$	June 30, 2024 \$
<b>Assets</b>			
<b>Current assets</b>			
Cash		1,624	195,140
Receivables and prepayments	4	801,852	782,563
		<b>803,476</b>	<b>977,703</b>
<b>Non-current assets</b>			
Investments in private companies	12	181	181
Intangible asset	3,5	1,368,000	-
		<b>1,368,181</b>	<b>181</b>
<b>Total assets</b>		<b>2,171,657</b>	<b>977,884</b>
<b>Liabilities and shareholders' equity</b>			
<b>Current liabilities</b>			
Accounts payable and accrued liabilities		767,740	527,288
Accounts payable to related parties	9	74,548	39,615
Promissory note payable	6	315,033	300,000
Convertible note payable	7	849,000	-
		<b>2,006,321</b>	<b>866,903</b>
<b>Shareholders' equity</b>			
Share capital	8	7,329,603	3,035,464
Reserves	8	4,218,953	64,867
Deficit		(11,383,220)	(2,989,350)
<b>Total shareholders' equity</b>		<b>165,336</b>	<b>110,981</b>
<b>Total liabilities and shareholders' equity</b>		<b>2,171,657</b>	<b>977,884</b>
<b>Nature of operations and going concern</b>			
	1		
<b>Subsequent events</b>			
	15		

Approved on behalf of the Board of Directors on November 29, 2024:

*"Colin Frost"*

Director

*"Robert Birmingham"*

Director

**Credissential Inc. (formerly Impact Analytics Inc.)****Condensed Interim Consolidated Statements of Loss and Comprehensive Loss****Unaudited – Prepared by Management****(Expressed in Canadian Dollars)****For the three months ended September 30, 2024 and September 30, 2023**

	Note	September 30, 2024 \$	September 30, 2023 \$
<b>Revenue</b>		-	8,244
<b>Expenses</b>			
Bonus expense	9	15,000	-
Consulting expense	9	398,555	-
Development expense	11	64,747	-
Director fees	9	31,403	-
Financing fees		15,000	10,000
Finders fees		316,366	-
General and administrative expense		19,403	8,649
Insurance		5,000	-
Investor relation expense		779,118	2,850
Interest & bank charges		7,625	153
Meals and entertainment		30,928	-
Professional fees		46,986	33,639
Transaction fees		330,000	-
Travel expense		24,482	-
Share-based payments	8	4,431,786	3,526
		<b>(6,516,399)</b>	<b>(58,817)</b>
Excess consideration over net assets acquired	3	(1,844,781)	-
Exchange loss		(3,842)	-
Change in fair value of convertible note	7	(28,848)	-
		<b>(1,877,471)</b>	<b>-</b>
<b>Loss and comprehensive loss for the period</b>		<b>(8,393,870)</b>	<b>(50,573)</b>
<b>Loss per share</b>			
<b>Weighted average number of common shares outstanding</b>			
- basic		<b>30,392,398</b>	25,888,400
- diluted		<b>30,392,398</b>	25,888,400
<b>Basic loss per common share</b>		<b>(0.28)</b>	(0.00)
<b>Diluted loss per common share</b>		<b>(0.28)</b>	(0.00)

**Credissential Inc. (formerly Impact Analytics Inc.)****Condensed Interim Consolidated Statements of Cash Flows****Unaudited – Prepared by Management****(Expressed in Canadian Dollars)****For the three months ended September 30, 2024 and September 30, 2023**

	Note	September 30, 2024 \$	September 30, 2023 \$
<b>Operating activities</b>			
Loss for the period		(8,393,870)	(50,573)
Adjustments for:			
Change in fair value of convertible note		28,848	-
Excess consideration over net assets acquired		1,844,781	-
Transaction fees on convertible note		330,000	-
Share-based payments		4,431,786	3,526
Net change in non-cash working capital items	10	231,348	28,804
		<b>(1,527,107)</b>	<b>(18,243)</b>
<b>Investing activities</b>			
Cash payment on acquisition of Antenna Transfer Inc.	3	(25,000)	-
		<b>(25,000)</b>	<b>-</b>
<b>Financing activities</b>			
Proceeds from convertible note	7	1,040,000	-
Proceeds from exercise of stock options		318,591	-
Proceeds from promissory notes	6	30,000	20,000
Repayment of promissory notes	6	(30,000)	-
		<b>1,358,591</b>	<b>20,000</b>
<b>Change in cash and cash equivalents</b>		<b>(193,516)</b>	<b>1,757</b>
<b>Cash and cash equivalents, beginning of period</b>		<b>195,140</b>	<b>10,352</b>
<b>Cash and cash equivalents, end of period</b>		<b>1,624</b>	<b>12,109</b>
<b>Supplemental cash flow information</b>	10		

**Credissential Inc. (formerly Impact Analytics Inc.)****Condensed Interim Consolidated Statements of Changes in Shareholders' Equity (Deficiency)****Unaudited – Prepared by Management****(Expressed in Canadian Dollars)****For the three months ended September 30, 2024 and September 30, 2023**

	Number of shares	Share capital \$	Reserves \$	Deficit \$	Total \$
June 30, 2023	25,888,400	189,800	-	(185,130)	4,670
Share-based payments	-	-	3,526	-	3,526
Loss and comprehensive loss for the period	-	-	-	(50,573)	(50,573)
September 30, 2023	25,888,400	189,800	3,526	(235,703)	(42,377)
June 30, 2024	29,603,212	3,035,464	64,867	(2,989,350)	110,981
Issue of common shares - convertible note	818,067	529,848	-	-	529,848
Issue of common shares - acquisition of Antenna Transfer Inc.	4,500,000	2,880,000	-	-	2,880,000
Issue of common shares - finders' fee on acquisition of Antenna Transfer Inc	450,000	288,000	-	-	288,000
Exercise of RSUs	125,000	87,500	(87,500)	-	-
Re-allocated on exercise of stock options	513,856	508,791	(190,200)	-	318,591
Share-based payments	-	-	4,431,786	-	4,431,786
Loss and comprehensive loss for the period	-	-	-	(8,393,870)	(8,393,870)
<b>September 30, 2024</b>	<b>36,010,135</b>	<b>7,329,603</b>	<b>4,218,953</b>	<b>(11,383,220)</b>	<b>165,336</b>

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# **Credissential Inc. (formerly Impact Analytics Inc.)**

## **Notes to the Condensed Interim Consolidated Financial Statements**

### **Unaudited – Prepared by Management**

### **(Expressed in Canadian Dollars)**

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**For the three months ended September 30, 2024 and September 30, 2023**

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#### **1. NATURE OF OPERATIONS AND GOING CONCERN**

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

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

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

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

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

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

As at September 30, 2024, the Company had working capital deficiency of \$1,203,349 (June 30, 2024 – working capital of \$110,800), and shareholders' equity of \$165,336 (June 30, 2024 - \$110,891).

#### **2. MATERIAL ACCOUNTING POLICY INFORMATION**

##### **Basis of presentation**

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

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

##### **Functional and presentation currency**

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

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## Credissential Inc. (formerly Impact Analytics Inc.)

### Notes to the Condensed Interim Consolidated Financial Statements

#### Unaudited – Prepared by Management

#### (Expressed in Canadian Dollars)

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For the three months ended September 30, 2024 and September 30, 2023

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## 2. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

### Principles of consolidation

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

The financial statements include the following entities:

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

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

### Material accounting policy information

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

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

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

#### Asset Acquisition

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

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

#### Intangible Assets – Intellectual Property ("IP")

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

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

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

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

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**For the three months ended September 30, 2024 and September 30, 2023**

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

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

Use of Estimates and Judgments

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

Valuation of equity consideration granted

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

Convertible debenture valuation

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

**New accounting policies**

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



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

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**For the three months ended September 30, 2024 and September 30, 2023**

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**3. ACQUISITION OF ANTENNA TRANSFER INC.**

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

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

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

During the period ended September 30, 2024, the Company recognized an intangible asset in the amount of \$1,368,000 (note 5). The difference between the purchase price and the identifiable net assets acquired have been recorded as excess consideration included as other expenses in the Company’s condensed interim consolidated loss and comprehensive loss.

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

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

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**For the three months ended September 30, 2024 and September 30, 2023**

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**4. RECEIVABLES AND PREPAYMENTS**

Receivables and prepayments consist of the following:

	<b>September 30, 2024</b>	<b>June 30, 2024</b>
	<b>\$</b>	<b>\$</b>
Business consulting services	200,984	54,583
Business development and project management	-	62,622
Salaries	12,413	12,413
Insurance	3,333	8,333
Legal	9,787	-
Consulting services	8,333	82,900
Investor relations	471,997	561,712
GST receivable	95,004	-
	<b>801,852</b>	<b>782,563</b>

**5. INTANGIBLE ASSET**

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

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

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

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

<b>Cost</b>	<b>Developed technologies</b>
	<b>\$</b>
Balance - June 30, 2024	-
Additions	1,368,000
<b>Balance - September 30, 2024</b>	<b>1,368,000</b>

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

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**For the three months ended September 30, 2024 and September 30, 2023**

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**6. PROMISSORY NOTE PAYABLE**

As of June 30, 2024 the Company has issued the following promissory notes to 721785 N.B. Inc. (the "Lender"):

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

The total principal amount outstanding as of September 30, 2024, is \$300,000, with total accrued interest of \$15,033. No demand for repayment has been made as of the reporting date.

**7. CONVERTIBLE NOTE PAYABLE**

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

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

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

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

During the period ended September 30, 2024, the Company received conversion notices totaling \$501,000 to reduce the loan liability and a change in fair value of (\$28,848) was recorded for the period ended.

The fair value of the convertible loan payable at September 30, 2024 was \$849,000. The fair value of the Convertible Note outstanding at a given date is determined by the total liabilities the Company would have to pay to the Investor assuming the Investor converts the Convertible Note on that date.

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

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**For the three months ended September 30, 2024 and September 30, 2023**

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**8. SHARE CAPITAL AND RESERVES**

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

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

**Share capital****Transactions for the issuance of share capital during the three months ended September 30, 2024:**

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

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

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

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

**There were no transactions for the issuance of share capital during the three months ended September 30, 2023.**

**Reserves**

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

**Stock options**

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

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

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**For the three months ended September 30, 2024 and September 30, 2023**

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

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

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

As at September 30, 2024, the Company has stock options outstanding and exercisable as follows:

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

The following table summarizes information about the stock options outstanding as at September 30, 2024:

Options #	Weighted average remaining life (years)	Weighted average exercise price \$
10,000	1.90	0.69
50,000	2.93	0.66
<b>60,000</b>	<b>2.76</b>	<b>0.67</b>

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

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

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

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

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**For the three months ended September 30, 2024 and September 30, 2023**

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

On September 3, 2024, 50,000 stock options were granted to a consultant exercisable at \$0.66 each, expiring on September 3, 2027, of which 50% vested immediately with the remaining 50% vesting On December 3, 2024. Fair value was calculated using the following assumptions: expected life of options – two years, stock price volatility – 115.00%, no dividend yield, and a risk-free interest rate – 3.05%. Using the above assumptions, the fair value of options granted was \$0.42 per option, for an aggregate total of \$20,800 (\$13,486 vested during the three months ended September 30, 2024).

The total share-based payment expense for the three months ended September 30, 2024 was \$4,431,786 (2023 - \$3,526) of which \$207,786 was attributable to vesting of stock options during the period then ended.

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

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

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

**Restricted share units (RSUs)**

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

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

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

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**For the three months ended September 30, 2024 and September 30, 2023**

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

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

	<b>Period ended September 30, 2024</b>	<b>Year ended June 30, 2024</b>
	<b>Equity Incentives #</b>	<b>Equity Incentives #</b>
Equity Incentives outstanding, beginning of period/year	221,360	-
Granted - RSUs	7,347,307	221,360
Exercised	(125,000)	-
Cancelled	(1,000,000)	-
<b>Equity Incentives outstanding, end of period/year</b>	<b>6,443,667</b>	<b>221,360</b>

As at September 30, 2024, the Company has RSUs outstanding as follows:

<b>RSUs outstanding #</b>	<b>RSUs Exercisable #</b>	<b>Weighted average grant date fair value per RSU</b>	<b>Final vesting date</b>
221,360	221,360	1.69	March 19, 2024
5,005,000	5,005,000	0.70	August 1, 2024
192,307	192,307	0.52	September 12, 2024
1,025,000	1,025,000	0.52	September 26, 2024
<b>6,443,667</b>	<b>6,443,667</b>		

On August 1, 2024, the Company issued an aggregate of 221,360 restricted share units to Directors, Officers, and Consultants of the Company. The shares vested immediately and are no longer restricted. The shares had a market price of \$0.70 at vesting. The Company allocated the market value of \$4,291,000 to share-based compensation and share capital. During the three months September 30, 2024, 1,000,000 (2023 – nil) RSUs were cancelled. As a result, the original share-based payments expense of \$700,000 (2023 - \$nil) related to these RSUs was reversed.

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

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

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

The total share-based payments expense for the three months ended September 30, 2024, was \$4,431,786 (2023 - \$nil), of which \$4,224,000 (2023 - \$nil) represents the vesting of Equity Incentives with the remaining portion of share-based payment expense being attributable to stock options, as described above.

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

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**For the three months ended September 30, 2024 and September 30, 2023**

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**8. SHARE CAPITAL AND RESERVES (continued)****Warrants**

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

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

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

As at September 30, 2024, the Company had warrants outstanding and exercisable as follows:

Warrants outstanding #	Warrants exercisable #	Exercise price \$	Weighted average remaining life (years)	Expiry date
696,000	696,000	1.25	1.19	December 8, 2025
433,140	433,140	1.25	1.21	December 15, 2024
375,000	375,000	1.25	1.28	January 12, 2026
311,820	311,820	2.00	1.47	March 19, 2026
1,365,672	1,365,672	0.83	4.73	June 21, 2029
675,000	675,000	0.88	4.84	August 1, 2029
<b>3,856,632</b>	<b>3,856,632</b>	<b>1.10</b>	<b>3.11</b>	

**9. RELATED PARTY TRANSACTIONS**

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

The following related parties transacted with the Company or Company controlled entities during the period:

- Eric Entz was the former CEO of the Company and provided consulting services. He resigned during the three months ended September 30, 2024.
- Colin Frost is the new CEO of the Company and provides consulting and director services. He was appointed as the new CEO during the three months ended September 30, 2024.
- Joe Traversa, a Director of the Company provides consulting and director services.
- Sebastian Lowes, a Director of the Company provides consulting services to the Company.
- Laura Parken, the Corporate Secretary of the Company provides consulting services.
- Robert Birmingham, a Director of the Company provides marketing services.



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

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**For the three months ended September 30, 2024 and September 30, 2023**

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

- g) Stephen Brohman is the Company's new CFO effective September 15, 2024. He is a principal of Donaldson Brohman Martin CPA Inc. ("DBM CPA"), a firm in which he has significant influence. DBM CPA provides the Company with accounting and tax services (included within professional fees).

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

	Transactions three months ended September 30, 2024 \$	Transactions three months ended September 30, 2023 \$	Balances outstanding September 30, 2024 \$	Balances outstanding June 30, 2024 \$
Eric Entz	5,000	-	11,890	2,500
Colin Frost (2)	37,000	-	17,000	7,097
Joe Traversa (2)	1,500	-	2,525	525
Sebastian Lowes (1)	55,000	-	29,008	27,468
Laura Parken	4,500	-	7,875	1,500
Robert Birmingham	1,500	-	2,575	525
DBM CPA	3,500	-	3,675	-
	<b>108,000</b>	-	<b>74,548</b>	<b>39,615</b>

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

**10. SUPPLEMENTAL CASH FLOW INFORMATION**

Changes in non-cash operating working capital during the period ended September 30, 2024 and September 30, 2023, were comprised of the following:

	September 30, 2024 \$	September 30, 2023 \$
Receivables and prepayments	(39,289)	-
Accounts payable and accrued liabilities	255,604	28,804
Accrued interest payable	15,033	-
<b>Net change</b>	<b>231,348</b>	<b>28,804</b>

The Company incurred non-cash investing and financing activities during the period ended September 30, 2024 and September 30, 2023 as follows:

During the period ended September 30, 2024 and September 30, 2023, no amounts were paid for interest or income taxes.

**11. DEVELOPMENT EXPENSES**

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

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**For the three months ended September 30, 2024 and September 30, 2023**

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**11. DEVELOPMENT EXPENSES** (continued)

During the period ended September 30, 2024, the Company incurred development expenses as follows:

<b>Period ended September 30, 2024 and September 30, 2023</b>				
	<b>Credissential</b>	<b>Lana Cash</b>	<b>PACT platform</b>	<b>Total</b>
Balance, September 30, 2023	-	-	-	-
Balance, September 30, 2024	64,747	-	-	<b>64,747</b>

**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 September 30, 2024 and September 30, 2023, the Company owned the following subsidiaries:

	<b>Cash Offer Capital Corp</b>	<b>1328623 B.C. Ltd.</b>	<b>Blue Copper Asset Fund</b>	<b>10000358 1 Ontario</b>	<b>1469617B .C. Ltd.</b>	<b>Total</b>
Place of Business	British Columbia, Canada	British Columbia, Canada	Alberta, Canada	Ontario, Canada	British Columbia, Canada	
Ownership, September 30, 2023 and September 30, 2024	60%	60%	60%	60%	60%	
Fair Value, September 30, 2023 and September 30, 2024	60	60	1	60	Nil	<b>\$181</b>

**13. MANAGEMENT OF CAPITAL**

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

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

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**For the three months ended September 30, 2024 and September 30, 2023**

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**13. MANAGEMENT OF CAPITAL (continued)**

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

The Company is not subject to any externally imposed capital requirements. There were no changes to the Company's approach to capital management during the period ended September 30, 2024.

**14. FINANCIAL INSTRUMENTS****Financial instruments - fair value**

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

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

**Financial instruments - classification**

<b>Financial assets:</b>	<b>Classification and measurement:</b>
Cash	Amortized cost

  

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

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

**Financial instruments - risk**

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

**a) Liquidity risk**

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

**b) Credit risk**

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

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

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**14. FINANCIAL INSTRUMENTS (continued)****c) Price risk**

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

**d) Currency risk**

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

**15. SUBSEQUENT EVENTS**

On October 16, 2024 the Company issued 1,388,888 to the Investor (note 7) based on a convertible note conversion.

On November 13, 2024, the Company announced a brokered offering of up to 12,900,000 units at \$0.12 per unit for gross proceeds of up to \$1,548,000. Each unit consists of one common share and one common share purchase warrant, with a warrant exercise price of \$0.16 for 60 months. Concurrently, the company announced a private placement of approximately \$500,000, also priced at \$0.12 per unit, with each unit consisting of one common share and one common share purchase warrant exercisable at \$0.16 for 60 months. The agent will receive a 7.0% cash fee and compensation options for 7.0% of the units issued.