

FORM 5

QUARTERLY LISTING STATEMENT

Name of Listed Issuer: **Impact Analytics Inc.** (the “Issuer”).

Trading Symbol: **PACT**

This Quarterly Listing Statement must be posted on or before the day on which the Issuer’s unaudited interim financial statements are to be filed under the *Securities Act*, or, if no interim statements are required to be filed for the quarter, within 60 days of the end of the Issuer’s first, second and third fiscal quarters. This statement is not intended to replace the Issuer’s obligation to separately report material information forthwith upon the information becoming known to management or to post the forms required by the Exchange Policies. If material information became known and was reported during the preceding quarter to which this statement relates, management is encouraged to also make reference in this statement to the material information, the news release date and the posting date on the Exchange website.

General Instructions

- (a) Prepare this Quarterly Listing Statement using the format set out below. The sequence of questions must not be altered nor should questions be omitted or left unanswered. The answers to the following items must be in narrative form. When the answer to any item is negative or not applicable to the Issuer, state it in a sentence. The title to each item must precede the answer.
- (b) The term “Issuer” includes the Listed Issuer and any of its subsidiaries.
- (c) Terms used and not defined in this form are defined or interpreted in Policy 1 – Interpretation and General Provisions.

There are three schedules which must be attached to this report as follows:

SCHEDULE A: FINANCIAL STATEMENTS

Financial statements are required as follows:

For the first, second and third financial quarters interim financial statements prepared in accordance with the requirements under Ontario securities law must be attached.

If the Issuer is exempt from filing certain interim financial statements, give the date of the exempting order.

Second Quarter (six-month period) ended December 31, 2023. Unaudited condensed consolidated interim financial statements of the Issuer for the six-month period ended December 31, 2023, as filed with securities regulatory authorities, are attached to this Form 5 - Quarterly Listing Statement as Appendix "A".

SCHEDULE B: SUPPLEMENTARY INFORMATION

The supplementary information set out below must be provided when not included in Schedule A.

1. Related party transactions

Provide disclosure of all transactions with a Related Person, including those previously disclosed on Form 10. Include in the disclosure the following information about the transactions with Related Persons:

- (a) A description of the relationship between the transacting parties. Be as precise as possible in this description of the relationship. Terms such as affiliate, associate or related company without further clarifying details are not sufficient.
- (b) A description of the transaction(s), including those for which no amount has been recorded.
- (c) The recorded amount of the transactions classified by financial statement category.
- (d) The amounts due to or from Related Persons and the terms and conditions relating thereto.
- (e) Contractual obligations with Related Persons, separate from other contractual obligations.
- (f) Contingencies involving Related Persons, separate from other contingencies.

With respect to related party transactions for information supplementary to that contained in the notes to the unaudited condensed interim consolidated financial statements, which are attached hereto, please refer to Management's Discussion & Analysis for the six-month period ended December 31, 2023, as filed with securities regulatory authorities and attached to this Form 5 - Quarterly Listing Statement as Appendix "B".

2. Summary of securities issued and options granted during the period.

Provide the following information for the period beginning on the date of the last Listing Statement (Form 2A):

- (a) summary of securities issued during the period,

The following securities issued during the period of July 1, 2023 to December 31, 2023.

Date of Issue	Type of Security (common shares, convertible debentures, etc.)	Type of Issue (private placement, public offering, exercise of warrants, etc.)	Number	Price	Total Proceeds	Type of Consideration (cash, property, etc.)	Describe relationship of Person with Issuer (indicate if Related Person)	Commission Paid
12/08/2023	Common shares	Private placement	696,000	\$0.50	\$348,000	Cash	Arms length	Nil
12/15/2023	Common shares	Private placement	433,140	\$0.50	\$216,570	Cash	Arms length	Nil

(b) summary of options granted during the period,

The following options were granted during the period of July 1, 2023 to December 31, 2023.

Date	Number	Name of Optionee if Related Person and relationship	Generic description of other Optionees	Exercise Price	Expiry Date	Market Price on date of Grant
09/25/2023	5,160,000	<ul style="list-style-type: none"> Eric Entz – Director/Officer Laura Parken - Officer Simon Tso - Officer Robert Birmingham - Director Joseph Traversa - Director 	Consultants	\$0.0275	09/25/2025	\$0.11

3. Summary of securities as at the end of the reporting period.

Provide the following information in tabular format as at the end of the reporting period:

- (a) description of authorized share capital including number of shares for each class, dividend rates on preferred shares and whether or not cumulative, redemption and conversion provisions,

As at December 31, 2023, the authorized capital of the Issuer consisted of an unlimited number of Common shares without par value, and without any special rights or restrictions, of which 27,017,540 Common shares were issued and outstanding.

The holders of the Common shares are entitled to receive notice of and to attend and vote at all meetings of the shareholders of the Issuer and each Common share shall confer the right to one vote in person or by proxy at all meetings of the shareholders of the Issuer. The holders of the Common shares, subject to the prior rights, if any, of any other class of shares of the Issuer, are entitled to receive such dividends in any financial year as the board of directors of the Issuer may be resolution determine. In the event of the liquidation, dissolution or winding-up of the Issuer, whether voluntary or involuntary, the holders of the Common shares are entitled to receive, subject to the prior rights, if any, of the holders of any other class of shares of the Issuer, the remaining property and assets of the Issuer.

- (b) number and recorded value for shares issued and outstanding,

Date	Share Class	Number of shares	Recorded value of common shares
As at December 31, 2023	Common shares	27,017,540	\$879,370

- (c) description of options, warrants and convertible securities outstanding, including number or amount, exercise or conversion price and expiry date, and any recorded value, and

Options: Options to purchase Common shares in the capital of the Issuer are granted by the Issuer's Board of Directors to eligible persons pursuant to the Issuer's Omnibus Equity Incentive Plan.

As at December 31, 2023, the following options were outstanding entitling holders to purchase Common shares in the capital of the Issuer as summarized below:

Date of Grant	Number of Options	Exercise Price	Expiry Date	Recorded Value
09/25/2023	5,160,000	\$0.0275	09/25/2025	Nil
TOTAL	5,160,000			

Warrants: As at December 31, 2023, the following warrants were outstanding entitling holders to purchase Common shares in the capital of the Issuer as summarized below:

Date of Issue	Number of Warrants	Exercise Price	Expiry Date	Recorded Value
12/08/2023	696,000	\$1.25	12/08/2025	Nil
12/15/2023	433,140	\$1.25	12/15/2025	Nil
TOTAL	1,129,140			

Convertible Securities: As at December 31, 2023, the Issuer did not have any outstanding convertible securities.

- (d) number of shares in each class of shares subject to escrow or pooling agreements or any other restriction on transfer.

As at December 31, 2023, the issuer did not have any class of shares subject to escrow or pooling agreements.

4. List the names of the directors and officers, with an indication of the position(s) held, as at the date this report is signed and filed.

Name of Director/Officer	Position with Issuer
Eric Entz	Chief Executive Officer, Director
Sebastian Lowes	General Counsel, Director
Tak Tsan (Simon) Tso	Chief Financial Officer
Laura Parken	Corporate Secretary
Joseph Traversa	Director
Robert Birmingham	Director

SCHEDULE C: MANAGEMENT DISCUSSION AND ANALYSIS

Provide Interim MD&A if required by applicable securities legislation.

Management's Discussion & Analysis for the six-month period December 31, 2023, as filed with securities regulatory authorities, is attached to this Form 5 - Quarterly Listing Statement as Appendix "B".

Certificate Of Compliance

The undersigned hereby certifies that:

1. The undersigned is a director and/or senior officer of the Issuer and has been duly authorized by a resolution of the board of directors of the Issuer to sign this Quarterly Listing Statement.
2. As of the date hereof there is no material information concerning the Issuer which has not been publicly disclosed.
3. The undersigned hereby certifies to the Exchange that the Issuer is in compliance with the requirements of applicable securities legislation (as such term is defined in National Instrument 14-101) and all Exchange Requirements (as defined in CNSX Policy 1).
4. All of the information in this Form 5 Quarterly Listing Statement is true.

Dated February 29, 2024.

Eric Entz

Name of Director or Senior Officer

"Eric Entz"

Signature

CEO & Director

Official Capacity

Issuer Details Name of Issuer Impact Analytics Inc.	For Quarter End December 31, 2023	Date of Report YYYY/MM/DD 2024/02/29
Issuer Address 2004 Sherwood Drive		
City/Province/Postal Code Sherwood Park, AB T8A 0Z1	Issuer Fax No. N/A	Issuer Telephone No. (587) 208 - 4044
Contact Name Eric Entz	Contact Position CEO	Contact Telephone No. (587) 208 - 4044
Contact Email Address info@impactrisk.ai	Web Site Address https://www.impactrisk.ai/	

APPENDIX A

IMPACT ANALYTICS INC.

**Unaudited condensed interim financial statements for the six-month period ended
December 31, 2023**

IMPACT ANALYTICS INC.

(FORMERLY AXIOM CAPITAL ADVISORS INC.)

Condensed Interim Financial Statements

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

(Unaudited)

(Expressed in Canadian dollars)

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

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

Condensed Interim Consolidated Financial Statements

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

(Unaudited)

(Expressed in Canadian dollars)

NOTICE OF NO AUDITOR REVIEW OF INTERIM FINANCIAL STATEMENTS

Under National Instrument 51-102, Part 4, subsection 4.3 (3) (a), if an auditor has not performed a review of the interim financial statements, they must be accompanied by a notice indicating that the financial statements have not been reviewed by an auditor.

The accompanying unaudited condensed interim financial statements of the Company have been prepared by and are the responsibility of the Company's management.

The Company's independent auditor has not performed a review of these financial statements in accordance with standards established by the Chartered Professional Accountants of Canada for a review of interim financial statements by an entity's auditor.

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

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

Condensed Interim Statements of Financial Position

(Unaudited)

(Expressed in Canadian dollars)

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

Nature of Operations and Going Concern

1

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

/s/ Eric Entz

Director

/s/ Robert Birmingham

Director

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

(Formerly Axiom Capital Advisors Inc.)

Condensed Interim Statements of Net and Comprehensive Income

(Unaudited)

(Expressed in Canadian dollars)

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

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

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

Condensed Interim Statement of Changes in Shareholders' Equity

(Unaudited)

(Expressed in Canadian dollars)

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

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

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

Condensed Interim Statements of Cash Flows

(Unaudited)

(Expressed in Canadian dollars)

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

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

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

Notes to the financial statements

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

(Unaudited)

(Expressed in Canadian dollars)

1. NATURE OF OPERATIONS AND GOING CONCERN

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

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

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

The business of the Company is to sell a minority interest in the subsidiaries it forms to arms-length purchasers, which allows the debt securities of the subsidiaries to be eligible for registered savings plans. A registered savings plan is a registered retirement savings plan, registered education savings plan, registered retirement income fund, a locked-in retirement account or a tax-free savings account. The purchasers of these subsidiaries use the capital raised at their own discretion, without reliance on the management or resources of the Company. The Company's management and capital are not committed to these subsidiaries.

The Company's ability to continue as a going concern depends upon it obtaining additional revenue or securing future equity or debt financing for its working capital and development activities.

2. BASIS OF PRESENTATION

Statement of Compliance

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

The financial statements were authorized for issue by the Directors of the Company on February 29, 2024.

Basis of Measurement

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

Functional and presentation currency

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

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

Notes to the financial statements

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

(Unaudited)

(Expressed in Canadian dollars)

2. BASIS OF PRESENTATION (Continued)**Use of estimates and judgments**

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

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

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

Determination of fair values of subsidiaries and consolidation

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

3. MATERIAL ACCOUNTING POLICIES

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

Cash

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

Financial Instruments

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

i) Financial assets

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

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

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

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

Notes to the financial statements

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

(Unaudited)

(Expressed in Canadian dollars)

3. MATERIAL ACCOUNTING POLICIES (Continued)**Financial Instruments (Continued)****i) Financial assets (Continued)**

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

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

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

Recognition and derecognition

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

Measurement

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

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

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

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

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

Impairment

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

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

Notes to the financial statements

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

(Unaudited)

(Expressed in Canadian dollars)

3. MATERIAL ACCOUNTING POLICIES (Continued)**Financial Instruments (Continued)****i) Financial assets (Continued)**

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

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

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

ii) Financial liabilities

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

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

Related Parties

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

Revenue recognition

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

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

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

Notes to the financial statements

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

(Unaudited)

(Expressed in Canadian dollars)

3. MATERIAL ACCOUNTING POLICIES (Continued)**Revenue recognition (Continued)**

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

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

Subsidiaries

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

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

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

Earnings per share

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

Warrants

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

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

Notes to the financial statements

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

(Unaudited)

(Expressed in Canadian dollars)

4. DETERMINATION OF FAIR VALUE

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

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

Level 1

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

Level 2

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

Level 3

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

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

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

5. FINANCIAL RISK MANAGEMENT**Overview**

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

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

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

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

Credit Risk

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

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

Notes to the financial statements

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

(Unaudited)

(Expressed in Canadian dollars)

5. FINANCIAL RISK MANAGEMENT (Continued)

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

	December 31, 2023	June 30, 2023
Cash	240,230	10,352
Total	240,230	10,352

Liquidity risk

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

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

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

Market risk

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

Interest rate risk

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

The Company had no interest rate swaps or financial contracts in place as at or during the period ended December 31, 2023.

Capital management

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

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

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

(Unaudited)

(Expressed in Canadian dollars)

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

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

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

The Company is not subject to externally imposed capital requirements.

The Company defines capital as equity which at December 31, 2023 was \$341,402 (June 30, 2023 - \$3,660).

6. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

As of the end of the quarter, accounts payable and accrued liabilities amounted to \$92,067.

7. LOAN PAYABLE

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

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

8. RELATED PARTY TRANSACTIONS

Key management personnel are the persons responsible for the planning, directing and controlling the activities of the Company and includes both executive and non-executive directors. The Company considers all of its directors and executive management team members to be key management personnel.

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

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

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

Notes to the financial statements

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

(Unaudited)

(Expressed in Canadian dollars)

8. RELATED PARTY TRANSACTIONS (Continued)

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

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

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

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

9. SHARE CAPITAL

The Company has an unlimited number of Class A voting common shares, and an unlimited number of Class A, Class B and Class C preferred shares authorized for issue. In concurrence with its June 30, 2020 non-offering prospectus, the Company entered into an escrow agreement, and as of December 31, 2023, no Class A common shares are held in escrow.

Stock split

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

Private placement

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

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

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

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

Notes to the financial statements

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

(Unaudited)

(Expressed in Canadian dollars)

9. SHARE CAPITAL (Continued)

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

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

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

Share options

On September 25, 2023, the Company issued an aggregate of 1,290,000 stock options to certain directors and consultants of the corporation, with each option exercisable for one common share of the company at an exercise price of \$0.11 for two years from the date of grant. Fifty percent of the options vest six months after issue, and the remaining Fifty percent will vest one year after issue. The options are governed by the corporation's omnibus equity incentive plan, adopted by the Company and approved by shareholders on September 20, 2023.

The fair value of the warrants was estimated using the Black Scholes option pricing model and the following weighted average assumptions: share price - \$0.11; exercise price - \$0.11; expected life – 24 months; annualized volatility – 115%; quarterly dividend yield – 0%; risk-free rate – 4.90%.

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

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

Notes to the financial statements

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

(Unaudited)

(Expressed in Canadian dollars)

9. SHARE CAPITAL (Continued)

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

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

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

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

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

On January 12, 2024, the Company announced that it had completed the third and final tranche of its non-brokered private placement of units for gross proceeds of \$187,500 through the sale of 375,000 units at a price of 50 cents per unit. Each unit comprises one common share in the capital of the company and one common share purchase warrant. Each warrant will be exercisable into one common share at a price of \$1.25 per share for two years from the date of issue.

\$2,000,000 Private placement

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

APPENDIX B

IMPACT ANALYTICS INC.

**Management's Discussion and Analysis for the six-month period ended
December 31, 2023**

IMPACT ANALYTICS INC.

(FORMERLY AXIOM CAPITAL ADVISORS INC.)

Management's Discussion and Analysis

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

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

Management's Discussion and Analysis of Financial Results

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

The following management discussion and analysis ("MD&A") should be read in conjunction with the condensed interim financial statements and accompanying notes ("Financial Statements") of Impact Analytics Inc. (Formerly Axiom Capital Advisors Inc.) (the "Company") for the three months ended December 31, 2023. Results have been prepared using accounting policies in compliance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB"). All monetary amounts are reported in Canadian dollars unless otherwise indicated.

For further information on the Company reference should be made to the Company's public filings which are available on SEDAR.

This MD&A contains forward-looking information. See "Forward-Looking Information" and "Risks and Uncertainties" for a discussion of the risks, uncertainties and assumptions relating to such information.

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

Management's Discussion and Analysis of Financial Results

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

INTRODUCTION

This Management's Discussion and Analysis ("MD&A") is provided to enable a reader to assess the financial position and results of operations of Impact Analytics Inc. (formerly Axiom Capital Advisors Inc. or the "Company") for the period ended December 31, 2023.

This MD&A should be read in conjunction with Impact Analytics' financial statements for the period ended December 31, 2023, together with the accompanying notes found therein.

This document presents the views of management as at February 29, 2024. Additional information on Impact can be found on SEDAR at www.sedar.com.

Information contained in the Management Discussion and Analysis ("MD&A") is presented on the same basis as the financial statements and was prepared in accordance with International Financial Reporting Standards ("IFRS") and is presented in Canadian dollars, Impact's functional currency.

FORWARD-LOOKING STATEMENTS

The MD&A contains certain forward-looking statements within the meaning of Canadian securities laws. These statements relate to future events or future performance and reflect management's expectations regarding the Company's financial condition, growth, results of operations, performance, financial needs, business prospects and opportunities. Forward-looking statements reflect management's current beliefs and are based on information currently available to management. In some cases, forward-looking statements can be identified by terminology such as "may", "will", "should", "expect", "plan", "anticipate", "believe", "estimate", "predict", "potential", "continue", "target" or the negative of these terms or other comparable terminology intended to identify forward-looking statements.

Forward-looking statements are based on certain assumptions and analyses made by the Company in light of the experience and perception of historical trends, current conditions and expected future developments and other factors it believes are appropriate and are subject to risks and uncertainties. In making the forward-looking statements included in this MD&A, the Company has made various material assumptions, including but not limited to ongoing CRA policies that are favourable to the Company's business model, current market competition, general business and economic conditions, and the Company's ability to successfully execute its plans and intentions. Although we believe that the assumptions underlying these statements are reasonable, they may prove to be incorrect, and we cannot assure that actual results will be consistent with these forward-looking statements. Given these risks, uncertainties and assumptions, readers should not place undue reliance on these forward-looking statements. Whether actual results, performance or achievements will conform to the Company's expectations and predictions is subject to a number of known and unknown risks, uncertainties, assumptions and other factors, including, among other things, changes in government monetary, fiscal and economic policies; changes in general economic conditions; legislative and regulatory developments; competition.

If any of these risks or uncertainties materialize, or if assumptions underlying the forward-looking statements prove incorrect, actual results might vary materially from those anticipated in those forward-looking statements.

There have been no events or circumstances that have occurred during the year to which the MD&A relates, or to a period that is not yet complete, that are reasonably likely to cause actual results to differ materially from the forward-looking information identified in this MD&A.

The Company's forward-looking statements are based on the reasonable beliefs, expectations and opinions of management on the date of this Prospectus (or as of the date they are otherwise stated to be made).

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

Management's Discussion and Analysis of Financial Results

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Although the Company has attempted to identify important factors that could cause actual results to differ materially from those contained in forward-looking statements, there may be other factors that cause results not to be as anticipated, estimated or intended. There is no assurance that such statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on forward-looking statements. We do not undertake to update or revise any forward-looking statements, except as, and to the extent required by, applicable securities laws in Canada.

COMPANY BACKGROUND AND DESCRIPTION OF THE BUSINESS

Impact Analytics Inc (formerly Axiom Capital Advisors Inc.) (the "Company") was incorporated on January 28, 2020, pursuant to the provisions of the Business Corporations Act (Alberta), with its head office and registered office located at 210, 2020 – 4 Street SW, Calgary, Alberta, T2S 1W3. The Company's first fiscal year end was June 30, 2020.

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 main business of the Company is to sell a minority interest 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.

Agreements with the subsidiaries define the permissible fees that the Company may charge and prohibit the Company from receiving additional compensation from the subsidiaries, such as dividends. Any change to these agreements would require approval by the minority shareholders of the subsidiaries. Impact does not raise capital for the subsidiaries. The Company charges a base fee for setting up each subsidiary, a further percentage of all raised funds, and an annual fee.

Significant Highlights

The following highlights and developments for the six months ended December 31, 2023 and to the date of this management discussion and analysis:

- Commencing trading on a global securities app called "upstream," to enable investors access the Company's shares, and transact in real-time.
- Launching of an intelligent software pilot program called "Pulse" to enable partners will be able to gain early access to the company's current product suite and also to develop complementary products.
- Development of "Lana cash" risk assessment tool for risk profile checks and, intelligent data solutions.
- Launching of "Credissential" data storage and management product, further promoting its Artificial Intelligence (AI) initiative.
- Appointment of Dato Mawani as strategic advisor to expand reach in the Asia pacific region.

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

Management's Discussion and Analysis of Financial Results

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

- Appointment of Mitch Johnstone as strategic advisor to enhance risk AI capabilities.
- Acquisition of AI hosting service and engagement of "Global One" to manage its social media channels.
- Partnering with Takada Asset Management to further the utilization and distribution of Impact Analytics' AI product offerings in the Asia Pacific region.
- Entered into a development service agreement with Research Laundry to advance its AI product development.

MATERIAL ACCOUNTING POLICIES

A complete summary of the Company's material accounting policies is provided in the audited financial statements for the year ended June 30, 2023.

CRITICAL JUDGEMENTS AND ESTIMATES

The preparation of the condensed interim financial statements requires that the Company's Management make assumptions and estimates of uncertain future events on carrying amounts of the Company's assets and liabilities at the end of the reporting period. Actual future outcomes could differ from present estimates and assumptions, potentially having material future effects on the Company's financial statements. Estimates are reviewed on an ongoing basis and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable in the circumstances. Revisions to estimates and the resulting effects on the carrying amounts of the Company's assets and liabilities are accounted for prospectively. The Company is also required to make critical judgements in applying certain accounting policies.

SELECTED FINANCIAL INFORMATION

The following selected financial information is derived from the financial statements of the Company for the period ended December 31, 2023 (unaudited) and June 30, 2023 (audited).

FINANCIAL POSITION HIGHLIGHTS

(in \$)	As at December 31, 2023	As at June 30, 2023
Net working capital	341,221	3,479
Total current assets	513,288	10,352
Total assets	513,469	10,533
Total current liabilities	172,067	6,873
Total shareholders' equity (deficit)	341,402	3,660

The current liabilities are primarily from payables to vendors that rendered services to the Company and loans obtained to further finance working capital and expand the business.

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

Management's Discussion and Analysis of Financial Results

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The following unaudited tables set out selected financial information for the Company since it began active operations:

STATEMENT OF COMPREHENSIVE INCOME (LOSS) HIGHLIGHTS

	Quarter 2 December 31, 2023	Quarter 1 September 30, 2023	Quarter 4 June 30, 2023	Quarter 3 March 31, 2023
Revenue	\$ 7,666	\$ 8,244	\$ 12,520	\$ 12,976
Expenses	\$ 343,113	\$ 58,817	\$ 18,388	\$ 11,167
Net income and comprehensive (loss)	\$ (335,447)	\$ (50,573)	\$ (5,868)	\$ 1,809
Income (loss) per share basic and diluted	\$ (0.013)	\$ (0.008)	\$ (0.001)	\$ 0.001

	Quarter 2 December 31, 2022	Quarter 1 September 30, 2022	Quarter 4 June 30, 2022	Quarter 3 March 31, 2022
Revenue	\$ 19,040	\$ 16,177	\$ 26,520	\$ 42,160
Expenses	\$ 10,026	\$ 20,022	\$ 17,046	\$ 11,741
Net income and comprehensive (loss)	\$ 9,014	\$ (3,845)	\$ 9,474	\$ 30,419
Income (loss) per share basic and diluted	\$ 0.001	\$ (0.001)	\$ 0.001	\$ 0.005

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

Management's Discussion and Analysis of Financial Results

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CASH FLOW HIGHLIGHTS

	Quarter 2 December 31, 2023	Quarter 1 September 30, 2023	Quarter 4 June 30, 2023	Quarter 3 March 31, 2023
Net cash provided (used) by:				
Operating activities	\$ (540,369)	\$ 1,757	\$ 19,772	\$ (321)
Investing activities	-	-	-	-
Financing activities	\$ 768,490	-	\$ (13,953)	-
Increase (decrease) in cash	\$ 228,121	\$ 1,757	\$ 5,819	\$ (321)
Cash beginning of period	\$ 12,109	\$ 10,352	\$ 4,533	\$ 4,854
Cash at end of period	\$ 240,230	\$ 12,109	\$ 10,352	\$ 4,533

	Quarter 2 December 31, 2022	Quarter 1 September 30, 2022	Quarter 4 June 30, 2022	Quarter 3 March 31, 2022
Net cash provided (used) by:				
Operating activities	\$ (633)	\$ (378)	\$ 25,307	\$ 3,714
Investing activities	-	-	-	-
Financing activities	-	-	\$ (29,005)	-
Increase (decrease) in cash	\$ (633)	\$ (378)	\$ (3,698)	\$ 3,714
Cash beginning of period	\$ 5,487	\$ 5,865	\$ 9,563	\$ 5,849
Cash at end of period	\$ 4,854	\$ 5,487	\$ 5,865	\$ 9,563

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

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THREE MONTHS PERIOD ENDED DECEMBER 31, 2023

Revenue earned during this three-month period arose from financing conducted by subsidiaries sold during the three months period.

Net loss and comprehensive loss for the three months ended December 31, 2023, was \$335,447 (2022 - \$9,014 income) and mainly attributable to the following:

- Professional fees increased by \$218,819 from \$nil during the three months ended December 31, 2022, to \$218,819 for the current quarter ended. Consulting and advisory fees had the highest fees for the quarter. Other professional fees are transfer agent, audit and accounting, registrar, legal and trustee fees. The increase is largely due to the Company's expansion, in line with its strategic direction, which required the engagement of new consultants (both locally and internationally).
- Office expenses increased by \$37,497 from \$1,430 during the three months ended December 31, 2022, to \$38,927 for the current quarter ended. This is largely due to the increase in IT - related expenses in form of server hardware and website design. The increase is also attributable to the increase in administrative expenses required for the smooth running of operations within the organization during the quarter.
- Interest and Bank Charges increased by \$31,936 from \$61 during the three months ended December 31, 2022, to \$31,997 for the current quarter ended. This is as a result of interest expense and financing fee incurred from loan facility accessed during the quarter.
- Share based compensation increased by \$30,666 from \$nil during the three months ended December 31, 2022, to \$30,666 for the current quarter ended. The increase is attributable to share options granted to certain directors and consultants of the corporation during the quarter.
- Director fees increased by \$11,000 from \$nil during the three months ended December 31, 2022, to \$11,000 for the current quarter ended. This is due to Director fees incurred for two Directors of the company during the quarter.
- Marketing expenses increased by \$5,681 from \$nil during the three months ended December 31, 2022, to \$5,681 for the current quarter ended. This is as a result of increase in news wire and press release expenses during the quarter.
- Rental payments reduced by \$6,000 from \$6,000 during the three months ended December 31, 2022, to \$nil for the current quarter ended. This is because rental payments to members of management is no longer in effect.
- Regulatory fees increased by \$628 from \$2,535 during the three months ended December 31, 2022, to \$3,163 for the current quarter ended. This is as a result of filing fees incurred during the quarter.
- Exchange loss increased by \$1,193 from \$nil during the three months ended December 31, 2022, to \$1,193 for the current quarter ended. This is due to transactions done with foreign vendors during the quarter.
- Insurance increased by \$1,667 from \$nil during the three months ended December 31, 2022, to \$1,667 for the current quarter ended. This is due to insurance expense incurred for Directors and officers of the Company during the quarter.

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

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SIX MONTHS PERIOD ENDED DECEMBER 31, 2023

Revenue earned during this three-month period arose from financing conducted by subsidiaries sold during the six months period.

Net loss and comprehensive loss for the six months ended December 31, 2023, was \$386,020 (2022 - \$5,200 income) and mainly attributable to the following:

- Professional fees increased by \$249,308 from \$3,150 during the six months ended December 31, 2022, to \$252,458 during the six months ended December 31, 2023. Consulting and advisory fees had the highest fees for the six-month period. Other professional fees are transfer agent, audit and accounting, registrar, legal and trustee fees. The increase is largely due to the Company's expansion, in line with its strategic direction, which required the engagement of new consultants (both locally and internationally).
- Office expenses increased by \$40,730 from \$2,846 during the six months ended December 31, 2022, to \$43,576 during the six months ended December 31, 2023. This is largely due to the increase in IT - related expenses in form of server hardware and website design. The increase is also attributable to the increase in administrative expenses required for the smooth running of operations within the organization during the six month period.
- Interest and Bank Charges increased by \$42,007 from \$143 during the six months ended December 31, 2022, to \$42,150 during the six months ended December 31, 2023. This is as a result of interest expense and financing fee incurred from loan facility accessed during the six month period.
- Share based compensation increased by \$34,192 from \$nil during the six months ended December 31, 2022, to \$34,192 during the six months ended December 31, 2023. The increase is attributable to share options granted to certain directors and consultants of the corporation during the six month period.
- Directors' fees increased by \$11,000 from \$nil during the six months ended December 31, 2022, to \$11,000 during the six months ended December 31, 2023. This is due to Director fees incurred for two Directors of the company during the six month period.
- Marketing expenses increased by \$5,681 from \$nil during the six months ended December 31, 2022, to \$5,681 during the six months ended December 31, 2023. This is as a result of increase in news wire and press release expenses during the six month period.
- Rental payments reduced by \$8,000 from \$12,000 during the six months ended December 31, 2022, to \$4,000 for the six months ended December 31, 2023. This is because rental payments to members of management is no longer in effect. The last rental payments were paid to Evan Baergen and Dwight Martin up to the date of their resignation on September 25, 2023.
- Regulatory fees decreased by \$5,865 from \$11,878 during the six months ended December 31, 2022, to \$6,013 during the six months ended December 31, 2023. This is because the Company incurred additional filing costs and penalties in 2022 for late filing.
- Exchange loss increased by \$1,193 from \$nil during the six months ended December 31, 2022, to \$1,193 during the six months ended December 31, 2023. This is due to transactions done with foreign vendors during the six month period.

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

Management's Discussion and Analysis of Financial Results

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- Insurance increased by \$1,667 from \$nil during the six months ended December 31, 2022, to \$1,667 during the six months ended December 31, 2023. This is due to insurance expense incurred for Directors and officers of the Company during the quarter.

SHARE CAPITAL

The Company has an unlimited number of Class A voting common shares, and an unlimited number of Class A, Class B and Class C preferred shares authorized for issue. In concurrence with its June 30, 2020 non-offering prospectus, the Company entered into an escrow agreement, and as of December 31, 2023, no Class A common shares are held in escrow.

Stock split

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

Private placement

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

The Company completed the first tranche of private placements on December 8, 2023. Gross proceeds of \$348,000 through the sale of 696,000 units at a price of 50 cents per unit were raised. The second tranche was completed on December 15, 2023, with gross proceeds of \$216,570 through the sale of 433,140 units at a price of 50 cents per unit. The third tranche was completed on January 12, 2024, with gross proceeds of \$187,500 through the sale of 375,000 units at a price of 50 cents per unit.

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

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

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

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	1.94	\$ 1.25
December 15, 2025	433,140	433,140	1.96	1.25

Share Options

On September 25, 2023, the Company issued an aggregate of 1,290,000 stock options to certain directors and consultants of the corporation, with each option exercisable for one common share of the company at an exercise price of \$0.11 for two years from the date of grant. Fifty percent of the options vest six months after issue, and the remaining Fifty percent will vest one year after issue. The options are governed by the corporation's omnibus equity incentive plan, adopted by the Company and approved by shareholders on September 20, 2023.

The fair value of the warrants was estimated using the Black Scholes option pricing model and the following weighted average assumptions: share price - \$0.11; exercise price - \$0.11; expected life – 24 months; annualized volatility – 115%; quarterly dividend yield – 0%; risk-free rate – 4.90%.

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

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

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

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

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

RELATED PARTY TRANSACTIONS**Key Management Compensation**

Key management personnel are the persons responsible for the planning, directing and controlling the activities of the Company and includes both executive and non-executive directors. The Company considers all of its directors and executive management team members to be key management personnel.

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

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

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

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

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

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

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BUSINESS RISKS

Executive Management

Impact is dependent on members of its senior management and non-executive directors. The loss of one or more of these individuals could adversely affect Impact's business. Impact Analytics has minimized the impact of losing any one individual by cross-training senior management to assume a variety of roles within the Company.

Regulation

The Company is subject to various laws and regulations; any changes to these statutes, or court decisions, regarding their application could negatively impact the Company. Specifically, Impact's business model and shared ownership of its subsidiaries with third party Purchasers is reliant on regulations under the Income Tax Act, and there can be no assurance that the governments or regulators will not adopt laws or regulatory requirements that could adversely affect this line of business.

CREDIT RISK

Credit risk arises from the potential that a counterparty will fail to perform its contractual obligations and arises principally from the Company's receivables from customers and cash bank balances. The carrying amount of accounts receivable represents the maximum credit exposure. As of December 31, 2023, the Company had \$nil in accounts receivable.

At period end, the Company had \$240,230 in cash bank balances. The Company manages the credit exposure related to cash by selecting financial institutions with high credit ratings. Given these credit ratings, management does not expect any counterparty to fail to meet its obligations.

LIQUIDITY RISK

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they become 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. Management regularly reviews future cash requirements to ensure adequate funds are available. The Company's management and directors have been funding any cash shortfall and it is expected that they will continue to do so.

At period end, the Company had \$92,067 in accounts payable and accrued liabilities and a working capital of \$341,221.

COMMITMENTS

The Company has no lease agreements or commitments for the period ended December 31, 2023.

SUBSEQUENT EVENTS

\$1,000,000 Private placement final tranche

On January 12, 2024, the Company announced that it had completed the third and final tranche of its non-brokered private placement of units for gross proceeds of \$187,500 through the sale of 375,000 units at a price of 50 cents per unit. Each unit comprises one common share in the capital of the company and one common share purchase warrant. Each warrant will be exercisable into one common share at a price of \$1.25 per share for two years from the date of issue.

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Strategic Direction

On January 16, 2023, the Company announced that it had appointed a strategic advisor to further aid its plans to expand its reach to the Asia Pacific regions. Other actions taken by the organization post the period end includes the development of its Artificial Intelligence (AI) powered credit management platform, includes the development of an AI powered Enterprise Risk Assessment software, and the launching of its intelligent pilot program and roadshow.

\$2,000,000 Private placement

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