

AnalytixInsight Inc.

Condensed Consolidated Interim Financial Statements
(Expressed in Canadian dollars)

For the three and six months ended June 30, 2022 and 2021

NOTICE OF NO AUDITOR REVIEW OF CONDENSED CONSOLIDATED 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 condensed consolidated interim financial statements, the financial statements must be accompanied by a notice indicating that the condensed consolidated interim financial statements have not been reviewed by an auditor.

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

The Company's independent auditor has not performed a review of these condensed consolidated interim 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.

AnalytixInsight Inc.

Condensed consolidated interim statements of financial position
(Expressed in Canadian dollars)
(unaudited)

	Notes	June 30, 2022	December 31, 2021
ASSETS			
Current			
Cash		\$ 4,326,016	\$ 6,074,920
Restricted deposits		58,282	57,342
Accounts and other receivables	3	88,652	316,076
Prepaid expenses		159,043	82,541
Total current assets		4,631,993	6,530,879
Equipment	4	18,837	71,709
Investment in associate	5	4,018,555	4,295,393
Other investment	8	38,234	38,234
Total assets		\$ 8,707,619	\$ 10,936,215
LIABILITIES			
Current			
Accounts payable and accrued liabilities	9	\$ 401,502	\$ 394,745
Lease liability	12	19,408	75,284
Deferred revenue		20,024	67,222
Total current liabilities		440,934	537,251
Lease liability	12	3,423	4,833
Total liabilities		444,357	542,084
SHAREHOLDERS' EQUITY			
Share capital	6	29,057,936	28,998,349
Reserves	7	3,590,744	4,053,985
Deficit		(24,602,053)	(22,866,590)
Currency translation reserve		216,635	208,387
Total shareholders' equity		8,263,262	10,394,131
Total liabilities and shareholders' equity		\$ 8,707,619	\$ 10,936,215

Nature of operations and going concern 1
Commitments and contingencies 10

Approved by the Board of Directors on August 19, 2022.

"Prakash Hariharan"
Prakash Hariharan – Director

"Chaith Kondragunta"
Chaith Kondragunta – Director

The accompanying notes are an integral part of these condensed consolidated interim financial statements.

AnalytixInsight Inc.

Condensed consolidated interim statements of loss and comprehensive loss
(Expressed in Canadian dollars)
(unaudited)

	Notes	Three months ended June 30,		Six months ended June 30,	
		2022	2021	2022	2021
REVENUE					
Services	11	\$ 228,008	\$ 773,834	\$ 682,732	\$ 1,727,162
TOTAL REVENUE		228,008	773,834	682,732	1,727,162
Cost of sales		559,480	564,159	996,429	1,186,908
Amortization		-	-	-	106,878
Gross (loss) profit		(331,472)	209,675	(313,697)	433,376
EXPENSES					
Consulting and compensation	9	329,846	358,230	826,445	812,412
Professional fees		98,339	80,089	131,951	138,733
General and administration		93,848	63,430	211,825	164,890
Selling and marketing		66,941	58,604	155,739	109,545
Travel		74,523	46,769	200,460	74,240
Depreciation	4	25,708	29,300	52,872	60,158
Share-based compensation	7	-	-	-	109,714
TOTAL EXPENSES		689,205	636,422	1,579,292	1,469,692
Loss before other items		(1,020,677)	(426,747)	(1,892,989)	(1,036,316)
OTHER ITEMS					
Interest expense		(700)	(2,750)	(1,943)	(6,073)
Other income		3,756	(27,716)	3,845	10
Loss from investment in associate	5	(181,879)	44,582	(276,838)	(82,447)
Foreign exchange gain		10,560	3,360	6,782	3,489
Net loss before tax		(1,188,940)	(409,271)	(2,161,143)	(1,121,337)
Income and other tax expense		(32)	-	(13,974)	-
Net loss for the period		(1,188,972)	(409,271)	(2,175,117)	(1,121,337)
Other comprehensive (loss) gain					
Foreign currency translation		17,760	(25,237)	8,248	(44,250)
Loss and comprehensive loss for the period		\$ (1,171,212)	\$ (434,508)	\$ (2,166,869)	\$ (1,165,587)
Weighted average number of shares outstanding – basic and diluted		96,451,741	78,062,912	96,390,415	82,371,995
Basic and diluted loss per share		\$ (0.01)	\$ (0.01)	\$ (0.02)	\$ (0.01)

The accompanying notes are an integral part of these condensed consolidated interim financial statements.

AnalytixInsight Inc.

Condensed consolidated interim statements of cash flows
(Expressed in Canadian dollars)
(unaudited)

	Notes	Six months ended June 30,	
		2022	2021
Cash provided by (used in):			
Operations:			
Net loss for the period		\$ (2,175,117)	\$ (712,066)
Items not involving cash:			
Depreciation	4	52,872	30,858
Amortization of intangible assets		-	106,878
Loss from investment in associate	5	276,838	127,029
Share-based compensation	7	-	109,714
Net cash from operating activities before changes in working capital		(1,845,407)	(337,587)
Change in non-cash operating working capital		123,159	87,437
Net cash flows from operating activities		(1,722,248)	(250,150)
Financing:			
Payment of principal portion of lease liability	12	(57,286)	(25,698)
Exercise of stock options	6, 7	36,000	245,025
Exercise of warrants	6, 7	-	15,113
Proceeds from loan payable		-	199,445
Net cash flows from financing activities		(21,286)	433,885
Effect of exchange rate change on cash		(5,370)	(28,386)
Change in cash for the period		(1,743,534)	183,735
Cash, beginning of the period		6,074,920	1,669,621
Cash, end of the period		\$ 4,326,016	\$ 1,824,970

The accompanying notes are an integral part of these condensed consolidated interim financial statements.

AnalytixInsight Inc.

Condensed consolidated interim statement of changes in shareholders' equity
(Expressed in Canadian dollars)
(unaudited)

	Number of shares	Share capital	Reserves	Deficit	Currency translation reserve	Shareholders' equity
Balance, December 31, 2020	81,122,549	\$ 21,444,232	\$ 2,108,862	\$ (18,830,172)	\$ 229,186	\$ 4,952,108
Warrant exercise	311,125	97,835	(35,610)	-	-	62,225
Other comprehensive gain for the period	-	-	-	-	181,374	181,374
Net loss for the period	-	-	-	(494,525)	-	(494,525)
Balance, June 30, 2021	81,433,674	\$ 21,542,067	\$ 2,073,252	\$ (19,324,697)	\$ 410,560	\$ 4,701,182
Balance, December 31, 2021	96,301,741	\$ 28,998,349	\$ 4,053,985	\$ (22,866,590)	\$ 208,387	\$ 10,394,131
Option exercise	150,000	59,587	(23,587)	-	-	36,000
Option expiry	-	-	(158,689)	158,689	-	-
Warrant expiry	-	-	(280,965)	280,965	-	-
Other comprehensive gain for the period	-	-	-	-	8,248	8,248
Net loss for the period	-	-	-	(2,175,117)	-	(2,175,117)
Balance, June 30, 2022	96,451,741	\$ 29,057,936	\$ 3,590,744	\$ (24,602,053)	\$ 216,635	\$ 8,263,262

The accompanying notes are an integral part of these condensed consolidated interim financial statements.

AnalytixInsight Inc.

Notes to condensed consolidated interim financial statements

For the three and six months ended June 30, 2022 and 2021

(Expressed in Canadian dollars)

1. Nature of operations and going concern

AnalytixInsight Inc. (the “Company”) was continued as a corporation under the *Ontario Business Corporations Act* on August 18, 2014. The Company’s registered and head office address is located at 100-2 Toronto Street, Toronto, ON, M5C 2B5, Canada. The Company’s shares are listed on the TSX Venture Exchange (“TSX.V”) under the symbol “ALY”. The Company has a wholly owned subsidiary in the United States named Euclides Technologies, Inc. (“Euclides”, formerly named CapitalCube Corp.) and a 49% interest in an Italian company named Marketwall SRL (“Marketwall”), Marketwall has a wholly owned subsidiary named InvestoPro Sim S.p.A. (“InvestoPro”).

The Company provides financial research and content for investors, information providers, finance portals and media through its online portal www.capitalcube.com and through its institutional partner Connect platform (collectively referred to as the data services and artificial intelligence business segment). It also provides system integration services for the WorkForce Management (“WFM”) industry through its Euclides Technologies, Inc. subsidiary (referred to as the professional services business). Marketwall focuses on mobile opportunities especially in the business to business and business to business to consumer spaces.

The Company has a history of operating losses and expects to incur further losses in the development of its businesses. As at June 30, 2022, the Company has working capital of \$4,191,059 (December 31, 2021 – \$1,714,200). If the Company is unable to achieve profitable operations, other sources of funding will be required, and if not available, it is possible that the Company will be unable to continue as a going concern.

These condensed consolidated interim financial statements have been prepared in accordance with International Financial Reporting Standards (“IFRS”) with the assumption that the Company will be able to realize its assets and discharge its liabilities in the normal course of business. These condensed consolidated interim financial statements do not include any adjustments relating to the recoverability and classification of recorded asset amounts and classification of liabilities that might be necessary should the Company be unable to continue as a going concern. Such adjustments could be material.

2. Significant accounting policies

a) Basis of preparation

The Company prepares its unaudited condensed consolidated interim financial statements in accordance with IFRS as issued by the IASB applicable to the preparation of interim financial statements, including IAS 34, Interim Financial Reporting (“IAS 34”). These statements are condensed and do not include all information required for full annual financial statements and should be read in conjunction with the annual consolidated financial statements as at and for the year ended December 31, 2021.

These condensed consolidated interim financial statements were approved by the Board of Directors on August 19, 2022.

These condensed consolidated interim financial statements have been prepared on a historical cost basis except for financial instruments classified as Fair Value Through Profit or Loss (“FVPL”), which are stated at their fair value. In addition, these condensed consolidated interim financial statements have been prepared using the accrual basis of accounting, except for cash flow information.

The condensed consolidated interim financial statements are presented in Canadian dollars and include the accounts of the Company, having a Canadian dollar functional currency, and its wholly-owned subsidiary, Euclides, having a US dollar functional currency. The functional currency was determined through an analysis of factors outlined in IAS 21. In the event that there are changes impacting the factors used to determine the functional currency, the Company re-evaluates its functional currency. No such evaluation was necessary during the reporting periods presented.

The condensed consolidated interim financial statements consolidate the accounts of AnalytixInsight Inc. and its subsidiary, Euclides Technologies Inc. All intercompany transactions, balances and unrealized gains and losses from intercompany transactions are eliminated on consolidation.

Subsidiaries consist of entities over which the Company is exposed to, or has rights to, variable returns as well as the ability to affect those returns through the power to direct the relevant activities of the entity. Subsidiaries are fully consolidated from the date control is transferred to the Company and are de-consolidated from the date control ceases. The condensed consolidated interim financial statements include all the assets, liabilities, revenues, expenses and cash flows of the Company and its subsidiary after eliminating inter-entity balances and transactions.

AnalytixInsight Inc.

Notes to condensed consolidated interim financial statements
For the three and six months ended June 30, 2022 and 2021
(Expressed in Canadian dollars)

2. Significant accounting policies (continued)**b) Basis of presentation**

The unaudited condensed consolidated interim financial statements were prepared using the same accounting policies and methods as those used in the Company's consolidated financial statements for the year ended December 31, 2020, with the exception of the amendments to outlined below.

On January 1, 2022, amendments clarifying the costs of fulfilling an onerous contract under IAS 37 – Provisions, Contingent Liabilities, and Contingent Assets ("IAS 37") came into effect. This amendment did not have a significant impact on the condensed consolidated interim financial statements.

On January 1, 2022, amendments related to recognition of proceeds from selling items before the asset is available for its intended use under IAS 16 – Property, Plant and Equipment ("IAS 16") came into effect. This amendment did not have a significant impact on the condensed consolidated interim financial statements.

c) Future accounting standards issued but not yet effective

Certain pronouncements were issued by the IASB or the IFRIC that are mandatory for accounting periods commencing on or after January 1, 2023. Many are not applicable or do not have a significant impact to the Company and have been excluded. The following have not yet been adopted and are being evaluated to determine their impact on the Company.

IAS 1 – Presentation of Financial Statements ("IAS 1") was amended in January 2020 to provide a more general approach to the classification of liabilities under IAS 1 based on the contractual arrangements in place at the reporting date. The amendments clarify that the classification of liabilities as current or noncurrent is based solely on a company's right to defer settlement at the reporting date. The right needs to be unconditional and must have substance. The amendments also clarify that the transfer of a company's own equity instruments is regarded as settlement of a liability, unless it results from the exercise of a conversion option meeting the definition of an equity instrument. The amendments are effective for annual periods beginning on or after January 1, 2023.

IAS 1 – In February 2021, the IASB issued 'Disclosure of Accounting Policies' with amendments that are intended to help preparers in deciding which accounting policies to disclose in their financial statements. The amendments are effective for year ends beginning on or after January 1, 2023.

IAS 8 – In February 2021, the IASB issued 'Definition of Accounting Estimates' to help entities distinguish between accounting policies and accounting estimates. The amendments are effective for year ends beginning on or after January 1, 2023.

IFRS 10 – Consolidated Financial Statements ("IFRS 10") and IAS 28 – Investments in Associates and Joint Ventures ("IAS 28") were amended in September 2014 to address a conflict between the requirements of IAS 28 and IFRS 10 and clarify that in a transaction involving an associate or joint venture, the extent of gain or loss recognition depends on whether the assets sold or contributed constitute a business. The effective date of these amendments is yet to be determined, however early adoption is permitted.

There are no other standards/amendments or interpretations that are expected to have a significant effect on the condensed consolidated interim financial statements of the Company.

AnalytixInsight Inc.

Notes to condensed consolidated interim financial statements

For the three and six months ended June 30, 2022 and 2021

(Expressed in Canadian dollars)

3. Accounts and other receivables

	June 30, 2022	December 31, 2021
Trade receivables	\$ 28,235	\$ 186,247
Other receivables	60,417	129,829
	\$ 88,652	\$ 316,076

4. Equipment

	Right-of-use asset	Computer hardware	Total
Cost:			
Balance, December 31, 2020	\$ 285,379	\$ 53,653	\$ 339,032
Effect of foreign currency exchange difference	-	(227)	(227)
Balance, December 31, 2021	\$ 285,379	\$ 53,426	\$ 338,805
Effect of foreign currency exchange difference	-	876	876
Balance, June 30, 2022	\$ 285,379	\$ 54,302	\$ 339,681
Depreciation:			
Balance, December 31, 2020	\$ 107,199	\$ 43,526	\$ 150,725
Depreciation charge for the period	106,471	9,966	116,437
Effect of foreign currency exchange difference	-	(66)	(66)
Balance, December 31, 2021	\$ 213,670	\$ 53,426	\$ 267,096
Depreciation charge for the period	52,872	-	52,872
Effect of foreign currency exchange difference	-	876	876
Balance, June 30, 2022	\$ 266,542	\$ 54,302	\$ 320,844
Net book value, December 31, 2021	\$ 71,709	\$ -	\$ 71,709
Net book value, June 30, 2022	\$ 18,837	\$ -	\$ 18,837

The Company, as a lessor, sublet the office space under the lease described in Note 12 for a period of one year and ten months less one day, with a commencement date of November 1, 2020. The sublease is classified as an operating lease by the Company, given no transfer of substantial risks and rewards of the underlying right-of-use asset to the subtenant at the end of the lease. The lease is rent free for the first two months and charges an escalating monthly rent of \$8,179 from January 1, 2021.

Below is a summary of undiscounted lease payments to be received in the future:

Within one year	\$ 17,025
After one year but not more than five years	-
More than five years	-
	\$ 17,025

AnalytixInsight Inc.

Notes to condensed consolidated interim financial statements

For the three and six months ended June 30, 2022 and 2021

(Expressed in Canadian dollars)

5. Investment in associate

The Company's ownership of Marketwall Consolidated during the six months ended June 30, 2022 and 2021 was 49%. Marketwall Consolidated is comprised of Marketwall and InvestoPro, its wholly owned subsidiary.

A continuity of the investment in Marketwall Consolidated as an associate is as follows:

Balance, December 31, 2020	\$	2,315,666
Share of loss for the period		(132,453)
Investment in Marketwall		2,112,180
Balance, December 31, 2021	\$	4,295,393
Share of loss for the period		(276,838)
Balance, June 30, 2022	\$	4,018,555

To maintain its 49% ownership share in Marketwall Consolidated, the Company invested an additional \$2,112,180 in Marketwall Consolidated during the year ended December 31, 2021.

Summarized financial information for Marketwall Consolidated as at June 30, 2022 and December 31, 2021 and for the six months ended June 30, 2022 and 2021 is as follows:

As at	June 30, 2022	December 31, 2021
Current and total assets	\$ 9,207,965	\$ 9,916,562
Current and total liabilities	3,200,940	2,898,837
Total shareholders' equity	6,007,025	7,017,725

Six months ended	June 30, 2022	June 30, 2021
Revenue	\$ 2,665,948	\$ 2,369,552
Operating expenses	(3,230,925)	(2,537,811)
Net loss and comprehensive loss	(564,977)	(168,259)

Marketwall Consolidated recorded a net loss of \$371,183 (100% basis) in the three months ended June 30, 2022 compared to net income of \$90,984 in the three months ended June 30, 2021.

Summarized financial information for Marketwall alone as at June 30, 2022 and December 31, 2021 and for the six months ended June 30, 2022 and 2021 is as follows:

As at	June 30, 2022	December 31, 2021
Current and total assets	\$ 8,112,388	\$ 8,825,579
Current and total liabilities	1,279,462	2,010,122
Total shareholders' equity	6,832,926	6,815,457

Six months ended	June 30, 2022	June 30, 2021
Revenue	\$ 2,665,948	\$ 2,369,552
Operating expenses	(2,059,799)	(2,422,443)
Net income and comprehensive income	606,149	(52,891)

AnalytixInsight Inc.

Notes to condensed consolidated interim financial statements

For the three and six months ended June 30, 2022 and 2021

(Expressed in Canadian dollars)

5. Investment in associate (continued)

Summarized financial information for InvestoPro as at June 30, 2022 and December 31, 2021 and for the six months ended June 30, 2022 and 2021 is as follows:

As at	June 30, 2022	December 31, 2021
Current and total assets	\$ 1,095,576	\$ 1,090,983
Current and total liabilities	1,921,478	888,715
Total shareholders' equity	(825,902)	202,268
Six months ended	June 30, 2022	June 30, 2021
Revenue	\$ -	\$ -
Operating expenses	(1,171,126)	(115,368)
Net loss and comprehensive loss	(1,171,126)	(115,368)

6. Share capital

	Number of shares	Stated value
Balance, December 31, 2020	81,122,549	\$ 21,444,232
Warrant exercise (Note 7)	22,550	18,423
Option exercise (Note 7)	1,755,000	850,765
Prospectus financing (Note 7)	13,225,000	9,257,500
Warrant allocation (Note 7)	-	(1,502,196)
Cost of issue (Note 7)	-	(1,174,023)
Broker units (Note 7)	176,642	123,649
Warrant allocation (Note 7)	-	(20,001)
Balance, December 31, 2021	96,301,741	\$ 28,998,349
Option exercise (Note 7)	150,000	59,587
Balance, June 30, 2022	96,451,741	\$ 29,057,936

On June 28, 2021, the Company closed an overnight marketed public offering of 13,225,000 units at a price of \$0.70 per unit for gross proceeds of \$9,257,500. Each unit comprised one common share of the Company and one half of one common share purchase warrant. Each whole warrant entitles the holder to purchase one common share of the Company at a price of \$0.90 for a period of three years from the date of issue. The Company paid cash commission of \$648,025 and other direct costs of \$377,463 and issued 925,750 compensation warrants, which entitles the holder of a whole warrant to acquire one common share for \$0.70 and one-half of one common share purchase warrant, which entitles the holder of the whole warrant to acquire an additional common share for \$0.90 for a period of three years from the date of issue. The Company also paid a finance fee payable through the issuance of 178,642 units, with each unit comprised of one common share and one-half of one common share purchase warrant, which entitles the holder of a whole warrant to acquire an additional common share for \$0.90 for a period of three years from the date of issue.

AnalytixInsight Inc.

Notes to condensed consolidated interim financial statements

For the three and six months ended June 30, 2022 and 2021

(Expressed in Canadian dollars)

7. Reserves

	No. of options	Weighted average exercise price	Value of options vested	No. of warrants	Weighted average exercise price	Value of warrants vested	Total value
Balance, December 31, 2020	5,115,000	\$ 0.40	\$ 1,575,548	3,828,027	\$ 0.69	\$ 533,314	\$ 2,108,862
Expired	(290,000)	0.19	(45,458)	-	-	-	(45,458)
Granted	1,955,000	0.70	799,424	7,626,571	0.90	1,773,913	2,573,337
Exercised (Note 6)	(1,755,000)	0.28	(352,615)	(22,550)	0.67	(3,310)	(355,925)
Issuance costs	-	-	-	-	-	(226,831)	(226,831)
Balance, December 31, 2021	5,025,000	\$ 0.40	\$ 1,976,899	11,432,048	\$ 0.59	\$ 2,077,086	\$ 4,053,985
Expired	(475,000)	0.61	(158,689)	(2,162,000)	0.65	(280,965)	(439,654)
Exercised (Note 6)	(150,000)	0.24	(23,587)	-	-	-	(23,587)
Balance, June 30, 2022	4,400,000	\$ 0.58	\$ 1,794,623	9,270,048	\$ 0.85	\$ 1,796,121	\$ 3,590,744

Stock option plan

The Company has an incentive stock option plan (the "Option Plan") which provides that the Board of Directors of the Company may from time to time, at its discretion, and in accordance with TSX.V requirements, grant to directors, officers, employees and consultants of the Company, non-transferable options to purchase common shares. Included in the Option Plan are provisions that provide that the number of common shares reserved for issuance will not exceed 10% of the issued and outstanding common shares of the Company at the grant date. Vesting terms are determined at the time of grant by the Board of Directors.

Stock options

Number of options outstanding	Number of options exercisable	Grant date	Expiration date	Exercise price	Grant date					
					Estimated grant date fair value vested	Expected volatility	Expected life (years)	Expected dividend yield	Risk-free interest rate	Share price
640,000	640,000	20-Dec-13	20-Dec-23	\$ 0.75	\$ 456,580	121%	10.00	0.00%	2.67%	\$ 0.85
555,000	555,000	14-Nov-17	14-Nov-22	\$ 0.47	\$ 161,321	99%	5.00	0.00%	1.67%	\$ 0.46
150,000	150,000	11-Dec-17	11-Dec-22	\$ 0.53	\$ 58,124	97%	5.00	0.00%	1.67%	\$ 0.54
75,000	75,000	6-Feb-18	6-Feb-23	\$ 0.49	\$ 32,622	140%	5.00	0.00%	2.04%	\$ 0.49
375,000	375,000	10-Oct-18	10-Oct-23	\$ 0.31	\$ 92,543	114%	5.00	0.00%	2.33%	\$ 0.31
540,000	540,000	31-Oct-19	31-Oct-24	\$ 0.36	\$ 146,114	103%	5.00	0.00%	1.56%	\$ 0.37
510,000	510,000	31-Aug-20	31-Aug-25	\$ 0.57	\$ 194,789	87%	5.00	0.00%	0.40%	\$ 0.57
1,555,000	1,555,000	12-Jul-21	12-Jul-26	\$ 0.70	\$ 652,530	91%	5.00	0.00%	0.93%	\$ 0.62
4,400,000	4,400,000			\$ 0.58	\$ 1,794,623		5.73			

Expected volatility is based on the Company's historical volatility.

The weighted average remaining life of the outstanding options at June 30, 2022 is 2.49 years (December 31, 2021 – 2.76 years).

The weighted average market price of the shares on the date of exercise was \$0.49 (2021 - \$0.92).

AnalytixInsight Inc.

Notes to condensed consolidated interim financial statements

For the three and six months ended June 30, 2022 and 2021

(Expressed in Canadian dollars)

7. Reserves (continued)**Warrants**

Number of warrants outstanding	Number of warrants exercisable	Grant date	Expiration date	Exercise price	Grant date						Share price
					Estimated grant date fair value vested	Expected volatility	Expected life (years)	Expected dividend yield	Risk-free interest rate		
1,529,818	1,529,818	16-Oct-20	15-Oct-22	\$ 0.75	\$ 217,968	79%	2.00	0.00%	0.23%	\$ 0.68	
113,659	113,659	16-Oct-20	15-Oct-22	\$ 0.75	\$ 31,070	79%	2.00	0.00%	0.23%	\$ 0.68	
6,700,821	6,700,821	28-Jun-21	28-Jun-24	\$ 0.90	\$ 1,522,197	78%	3.00	0.00%	0.63%	\$ 0.59	
925,750	925,750	28-Jun-21	28-Jun-24	\$ 0.70	\$ 251,717	78%	3.00	0.00%	0.63%	\$ 0.59	
9,270,048	9,270,048			\$ 0.85	\$ 2,022,952		2.82				

Expected volatility is based on the Company's historical volatility.

8. Financial instruments**Fair value of financial instruments**

The Company's financial assets and financial liabilities as at June 30, 2022 and December 31, 2021 were as follows:

	Amortized cost	FVPL	Total
December 31, 2021			
Cash	\$ 6,074,920	\$ -	\$ 6,074,920
Restricted deposits	57,342	-	57,342
Accounts and other receivables	316,076	-	316,076
Other investment	-	38,234	38,234
Accounts payable and accrued liabilities	(394,745)	-	(394,745)
June 30, 2022			
Cash	\$ 4,326,016	\$ -	\$ 4,326,016
Restricted deposits	58,282	-	58,282
Accounts and other receivables	88,652	-	88,652
Other investment	-	38,234	38,234
Accounts payable and accrued liabilities	(401,502)	-	(401,502)

The risk associated with any significant concentration of credit risk at June 30, 2022 and December 31, 2021 is mitigated by the quality of the receivables and customers. All receivables owing from these customers as at June 30, 2022 were received subsequent to the end of the reporting period. The carrying amount reflected above represents the Company's maximum exposure to credit risk for such receivables.

The fair values of these financial instruments approximate their carrying values because of their short-term nature and/or the existence of market related interest rate on the instruments.

AnalytixInsight Inc.

Notes to condensed consolidated interim financial statements
For the three and six months ended June 30, 2022 and 2021
(Expressed in Canadian dollars)

8. Financial instruments (continued)Level 3 hierarchy

Other investment relates to shares received as debt settlement in the amount of \$60,000 during the year ended December 31, 2016. The other investment is classified as a Level 3 financial instrument within the hierarchy of the Company's financial instruments, measured at FVPL in the consolidated statements of financial position as at June 30, 2022 and December 31, 2021.

Within Level 3, the Company includes private company investments which were not quoted on an exchange. The key assumptions used in the valuation of these instruments included (but were not limited to) the value at which a recent financing was done by the investee, company-specific information, trends in general market conditions and the share performance of comparable publicly traded companies. Information from a recent financing was used to determine the value of the assets at \$38,234 as at June 30, 2022 (December 31, 2021 - \$38,224).

The unrealized loss recognized for these assets for the six months ended June 30, 2022 was \$nil (2021 - \$nil).

Valuations of investments for which market quotations are not readily available, are inherently uncertain, may fluctuate within short periods of time and are based on estimates, and determination of fair value may differ materially from the values that would have resulted if a ready market existed for the investments. Given the size of the private investment portfolio, such changes may have a significant impact on the Company's financial condition or operating results.

For those investments valued based on a recent financing or transaction price, management has determined that there are no reasonably possible alternative assumptions that would change the fair value significantly as at June 30, 2022. A +/- 25% change in the fair value of these Level 3 investments as at June 30, 2022 will result in a corresponding +/- \$9,558 (2021 - \$9,558). The sensitivity analysis is intended to reflect the significant uncertainty inherent in the valuation of private investments under current market conditions, and that results cannot be extrapolated due to non-linear effects that changes in valuation assumptions may have on the estimated fair value of these investments. The analysis does not indicate a probability of changes occurring and it does not necessarily represent the Company's view of expected future changes in the fair value of these investments. Any management actions that may be taken to mitigate inherent risks are not reflected in this analysis.

Financial risk factors

The Company is exposed to a variety of financial instrument related risks:

Credit risk

Credit risk is the risk of an unexpected loss if a customer or third party to a financial instrument fails to meet its contractual obligations. At June 30, 2022, 9% (December 31, 2021 – 96% due from two customers) of the accounts receivable were due from two customers with strong credit ratings. All receivables owing from these customers as at June 30, 2022 and December 31, 2021 were received subsequent to year end.

Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulties in meeting its financial liability obligations. The Company manages its liquidity risk through cash and debt management. The Company's objective in managing liquidity risk is to increase revenue, minimize operational costs and to maintain sufficient liquidity in order to meet these operational requirements at any point in time. As at June 30, 2022, the Company has a cash and cash equivalents balance of \$4,326,016 (December 31, 2021 – \$6,074,920) current liabilities of \$440,934 (December 31, 2021 - \$537,251) and a working capital of \$4,191,059 (December 31, 2021 - \$5,993,628). The Company's ability to meet its financial liability obligations and continue to operate as a going concern may include raising capital through a share issuance to obtain sufficient funding. There is no certainty of the Company's ability to raise additional financing through this method.

Interest rate risk

The Company has cash and cash equivalents balances and all amounts are held with accredited banks. As of June 30, 2022, the Company had short term guaranteed investment certificates of \$3,000,000 held with an accredited Canadian bank (December 31, 2021 - \$4,000,000). A change in interest rate of +/- 1% would result in a change in interest income of \$30,000 (2021 - \$nil).

AnalytixInsight Inc.

Notes to condensed consolidated interim financial statements

For the three and six months ended June 30, 2022 and 2021

(Expressed in Canadian dollars)

8. Financial instruments (continued)Currency risk

The Company generates revenue and incurs expenses and expenditures in Canada and the United States. As a result, fluctuations in the rate of exchange between U.S. dollars, Canadian dollars and other currencies can have an effect on the Company's reported results. The Company has not utilized any financial instruments or cash management policies to mitigate the risks arising from changes in foreign currency rates. The net Canadian dollar equivalent of the total of its cost of sales, selling and administrative, and sales denominated in US dollars was approximately \$538,024 for the six months ended June 30, 2022. Accordingly, a 10% increase or decrease in the exchange rate between U.S. and Canadian dollars would result in an increase or decrease of approximately \$53,802 in net loss for the year.

The Canadian dollar equivalent of net assets denominated in US dollars as at June 30, 2022 was approximately \$310,932. Accordingly, a 10% increase or decrease in the exchange rate between U.S. and Canadian dollars would impact net loss by approximately \$31,093.

Capital management

The Company defines capital that it manages as being composed of share capital, reserves, deficit and cash and cash equivalents. Its objective when managing capital is to ensure that the Company will continue as a going concern, so that it can provide products and services to its customers and returns to its shareholders.

The Company manages the capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Company may attempt to issue new shares, issue debt, acquire or dispose of assets or adjust the amount of cash and cash equivalents and investments. The Company requires capital to maintain its operating businesses, sustain corporate operations and repay existing obligations. The Company may seek additional financing by means of issuing share capital, the sale of assets or debt financing. There can be no certainty of the Company's ability to raise any additional financing from any of these sources.

In order to facilitate the management of its capital requirements, the Company prepares annual expenditure budgets that are updated as necessary depending on various factors, including successful capital deployment and general industry conditions. The annual and updated budgets are approved by the Board of Directors. The Company is currently not subject to externally imposed capital requirements.

The Company's capital management objectives, policies and processes have not changed during the six months ended June 30, 2022 and 2021.

The Company is not subject to any capital requirements imposed by a lending institution or regulatory body, other than of the TSX.V which requires adequate working capital or financial resources of the greater of (i) \$50,000 and (ii) an amount required in order to maintain operations and cover general and administrative expenses for a period of 6 months. As of June 30, 2022, the Company believes it is compliant with the policies of the TSX.V.

AnalytixInsight Inc.

Notes to condensed consolidated interim financial statements
For the three and six months ended June 30, 2022 and 2021
(Expressed in Canadian dollars)

9. Related party transactions

Unless otherwise specified, the year end balances of receivables/payables referred to are non-interest bearing, unsecured, receivable or payable on demand, and have arisen from the provision of services and expense reimbursements. There were no amounts owed to key management personnel not disclosed elsewhere in these condensed consolidated interim financial statements.

Compensation of key management personnel

In accordance with IAS 24, key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Company directly or indirectly, including any directors (executive and non-executive) of the Company.

The remuneration of directors and other members of key management personnel (officers) during the years presented were as follows:

	Three months ended June 30,		Six months ended June 30,	
	2022	2021	2022	2021
Short-term benefits	\$ 162,750	\$ 117,750	\$325,500	\$270,000

At June 30, 2022, the Company had \$8,745 (December 31, 2021 – \$42,330) in accounts payables owing to related parties. These amounts are unsecured, non-interest bearing and due on demand.

See also Note 10.

10. Commitments and contingencies

The Company is party to certain management contracts. These contracts require payments of \$1,417,950 upon the occurrence of a change in control of the Company, as defined by each officer's respective consulting agreement. The Company is also committed to payments upon termination of \$58,250 pursuant to the terms of these contracts. As a triggering event has not taken place, the contingent payments have not been reflected in these financial statements.

The Company is subject to various claims, lawsuits and other complaints arising in the ordinary course of business. The Company records provisions for losses when claims become probable and the amounts are estimable. Although the outcome of such matters cannot be determined, it is the opinion of management that the final resolution of these matters will not have a material adverse effect on the Company's financial condition, operations or liquidity.

Novel Coronavirus

The Company's operations could be significantly adversely affected by the effects of a widespread global outbreak of a contagious disease, including the recent outbreak of respiratory illness caused by COVID-19. The Company cannot accurately predict the impact COVID-19 will have on its operations and the ability of others to meet their obligations with the Company, including uncertainties relating to the ultimate geographic spread of the virus, the severity of the disease, the duration of the outbreak, and the length of travel and quarantine restrictions imposed by governments of affected countries. In addition, a significant outbreak of contagious diseases in the human population could result in a widespread health crisis that could adversely affect the economies and financial markets of many countries, resulting in an economic downturn that could further affect the Company's operations and ability to finance its operations. To date the Company has experienced limited contract delays with proposed new contracts with new customers resulting from the global pandemic. Despite these delays, the Company's operations have been relatively stable. The Company has ongoing, long-term contracts with several quality customers that have not been impacted by the pandemic and has allowed the Company to continue operations with little impact.

AnalytixInsight Inc.

Notes to condensed consolidated interim financial statements

For the three and six months ended June 30, 2022 and 2021

(Expressed in Canadian dollars)

11. Segmented information

IFRS 8 requires operating segments to be determined based on the Company's internal reporting to the Chief Operating Decision Maker ("CODM"). The CODM has been determined to be the Company's Chief Executive Officer as he is primarily responsible for the allocation of resources and the assessment of performance. The CODM uses net income, as reviewed at periodic business review meetings, as the key measure of the Company's results as it reflects the Company's underlying performance for the period under evaluation.

The CODM's primary focus for review and resource allocation is the Company as a whole and not any component part of the business. Having considered these factors, management has judged that the Company's operations comprise two operating segments under IFRS 8 – Data services and WorkForce Management.

Information about the Company's revenues based on the type of services provided is as follows:

	Three months ended June 30,		Six months ended June 30,	
	2022	2021	2022	2021
Big data	\$ 57,211	\$ 35,076	\$ 116,818	\$ 67,811
WorkForce Management	170,797	738,758	565,914	1,659,351
	\$ 228,008	\$ 773,834	\$ 682,732	\$ 1,727,162

Information about the Company's expenses based on the type of services provided is as follows:

	Three months ended June 30,		Six months ended June 30,	
	2022	2021	2022	2021
Big data	\$ 387,275	\$ 293,137	\$ 891,382	\$ 823,743
WorkForce Management	301,930	343,285	687,910	645,949
	\$ 689,205	\$ 636,422	\$ 1,579,292	\$ 1,469,692

The Company's revenues are substantially derived from customers in the United States during the six months ended June 30, 2022 and 2021. All of the Company's revenues recognized as services are rendered throughout the term of the contract for the six months ended June 30, 2022 and 2021.

Assets of the Company are segmented based on the type of services provided and were as follows:

	Current assets	Property and equipment	Other non- current assets	Total assets
Balance, December 31, 2021				
Big data	\$ 5,527,497	\$ 71,709	\$ 4,333,627	\$ 9,932,833
WorkForce Management	1,003,382	-	-	1,003,382
	\$ 6,530,879	\$ 71,709	\$ 4,333,627	\$ 10,936,215
Balance, June 30, 2022				
Big data	\$ 4,261,982	\$ 18,837	\$ 4,056,789	\$ 8,337,608
WorkForce Management	370,011	-	-	370,011
	\$ 4,631,993	\$ 18,837	\$ 4,056,789	\$ 8,707,619

AnalytixInsight Inc.

Notes to condensed consolidated interim financial statements

For the three and six months ended June 30, 2022 and 2021

(Expressed in Canadian dollars)

11. Segmented information (continued)**Significant customers**

In each respective year, revenues from customers that amounted to more than 10% of the Company's revenues accounted for the following percentage of the Company's total revenues and accounts receivable, as follows:

	% of revenues for the six months ended June 30, 2022	% of accounts receivable at June 30, 2022	% of revenues for the six months ended June 30, 2021	% of accounts receivable at December 31, 2021
Customer 1	45%	0%	56%	54%
Customer 2	31%	9%	34%	42%

12. Lease liability

In December 2019, the Company entered into a lease for office equipment. The monthly lease payment is \$388 per quarter for a fixed term of five years, commencing on December 20, 2019. In January 2020, the Company entered into a lease for office space with a monthly payment of \$9,426 until August 1, 2022. The Company used a discount rate of 7.5% in determining the present value of the lease payments.

	March 31, 2022
Current lease liability	\$ 47,819
Non-current lease liability	3,733
	\$ 51,552

Future undiscounted minimum lease payments for these lease agreements are as follows:

Within one year	\$ 21,164
After one year but not more than five years	1,937
More than five years	-
	\$ 23,101