



Nubeva Technologies Ltd.

Condensed Interim Consolidated Financial Statements

For the Six Months Ended October 31, 2024 and 2023

UNAUDITED

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 consolidated 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 condensed interim consolidated financial statements in accordance with standards established by the Canadian Institute of Chartered Accountants for a review of interim financial statements by an entity's auditor.

Nubeva Technologies Ltd.

CONDENSED INTERIM CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

As of October 31, 2024 and April 30, 2024

(Expressed in United States dollars)

	Notes	October 31, 2024	April 30, 2024
Assets			
Current assets:			
Cash and cash equivalents	4	\$ 3,385,573	\$ 3,639,766
Accounts receivable	5	15,360	211,836
Tax credit receivable	6	236,725	507,812
Prepaid expenses and deposits	7	39,143	82,231
Total current assets		3,676,801	4,441,645
Equipment	8	10,272	5,966
Total Assets		\$ 3,687,073	\$ 4,447,611
Liabilities			
Current liabilities:			
Accounts payable and accrued liabilities	9,12	\$ 79,453	\$ 142,896
Income tax payable	10	65	203,303
Current portion of term loans payable	13	2,508	6,211
Deferred revenue	11	68,272	243,032
Total current liabilities		150,298	595,442
Term loans payable	13	11,520	29,586
Total Liabilities		161,818	625,028
Shareholders' Equity			
Common share capital	14	19,311,030	19,286,071
Reserves	14	2,332,603	2,485,555
Deficit		(17,961,396)	(17,785,035)
Accumulated other comprehensive loss		(156,982)	(164,008)
Total Equity		3,525,255	3,822,583
Total Liabilities and Shareholders' Equity		\$ 3,687,073	\$ 4,447,611

Subsequent Events – Note 19

Approved by the directors:

“Randy Chou”

“Francis Chan”

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

Nubeva Technologies Ltd.

CONDENSED INTERIM CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME AND LOSS

(Expressed in United States dollars)

	Notes	Three Months Ended October 31,		Six Months Ended October 31,	
		2024	2023	2024	2023
Revenue	16	\$ 73,995	\$ 419,141	\$ 411,619	\$ 1,472,987
Operating expenses:					
General and administrative	12,15	252,850	232,116	459,977	404,541
Research and development	12,15	112,680	410,154	331,848	739,497
Sales and marketing	15	1,414	216,324	11,288	438,128
Share-based compensation	12,14	11,303	147,322	21,487	455,712
Total expenses		378,247	1,005,916	824,600	2,037,878
Other Items					
Bad debt expense		-	(3,397)	-	(3,397)
Interest and other income	4,17	42,095	47,246	87,758	91,876
Accretion, interest, and penalties expense	13	(21,249)	(1,729)	(22,144)	(3,440)
Foreign exchange gain (loss)		(2,905)	759	(2,905)	(3,086)
Government assistance	13,15	28,483	111,539	55,060	176,731
Gain on investment		525	380	638	391
Net loss before income tax		(257,303)	(431,977)	(294,574)	(305,816)
Income tax expense		-	-	(43,650)	-
Net loss for the period		(257,303)	(431,977)	(338,224)	(305,816)
Other comprehensive income (loss), item that may be recycled through profit and loss					
Foreign currency translation adjustment		1,625	(46,162)	7,026	(55,751)
Total comprehensive loss for the period		\$ (255,678)	\$ (478,139)	\$ (331,198)	\$ (361,567)
Loss per share - basic and diluted		\$ (0.00)	\$ (0.01)	\$ (0.00)	\$ (0.00)
Weighted average number of common shares outstanding		70,140,936	68,326,534	70,115,677	68,239,740

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

Nubeva Technologies Ltd.

CONDENSED INTERIM CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY

For the Six Months Ended October 31, 2024, and 2023

(Expressed in United States dollars)

		Share capital		Reserves					
	Note	Common Shares	Amount	Share Based Payment Reserve	Warrants Reserve	Deficit	Accumulated Other Comprehensive Loss	Total	
Balance as at April 30, 2023		68,146,425	\$ 19,052,849	\$ 2,171,410	\$ 966,042	\$ (18,419,174)	\$ (120,599)	\$ 3,650,528	
Share-based compensation	14	-	-	455,712	-	-	-	455,712	
Options exercised	14	360,000	64,302	(15,818)	-	-	-	48,484	
Forfeited/cancelled options	14	-	-	(92,341)	-	92,341	-	-	
Foreign currency translation		-	-	-	-	-	(55,751)	(55,751)	
Net loss for the period		-	-	-	-	(305,816)	-	(305,816)	
Balance as at October 31, 2023		68,506,425	\$ 19,117,151	\$ 2,518,963	\$ 966,042	\$ (18,632,649)	\$ (176,350)	\$ 3,793,157	
Balance as at April 30, 2024		70,048,993	\$ 19,286,071	\$ 1,519,513	\$ 966,042	\$ (17,785,035)	\$ (164,008)	\$ 3,822,583	
Share-based compensation	14	-	-	21,487	-	-	-	21,487	
Options exercised	14	124,790	24,959	(12,576)	-	-	-	12,383	
Forfeited/cancelled options	14	-	-	(161,863)	-	161,863	-	-	
Foreign currency translation		-	-	-	-	-	7,026	7,026	
Net loss for the period		-	-	-	-	(338,224)	-	(338,224)	
Balance as at October 31, 2024		70,173,783	\$ 19,311,030	\$ 1,366,561	\$ 966,042	\$ (17,961,396)	\$ (156,982)	\$ 3,525,255	

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

Nubeva Technologies Ltd.

CONDENSED INTERIM CONSOLIDATED STATEMENTS OF CASH FLOWS

(Expressed in United States dollars)

	Six Months Ended October 31,	
	2024	2023
Operating activities		
Net loss for the period	\$ (338,224)	\$ (305,816)
Items not involving cash:		
Share-based compensation	21,487	455,712
Accretion and interest accrued	1,708	3,440
Bad debt expense	-	3,397
Depreciation	1,389	1,187
Changes in non-cash working capital items related to operations:		
Accounts receivable	196,476	(9,129)
Prepaid expenses	43,088	17,550
Tax credit receivable (net)	273,089	(176,731)
Accounts payable and accrued liabilities	(63,443)	(52,365)
Income tax payable	(203,238)	-
Deferred revenue	(174,760)	142,341
Cash provided by (used in) operating activities	(242,428)	79,586
Investing activities:		
Equipment	(5,649)	-
Cash used in investing activities	(5,649)	-
Financing activities:		
Term loans repayment	(23,558)	(1,254)
Options exercised	12,383	48,484
Cash provided by (used in) financing activities	(11,175)	47,230
Effect of foreign exchange on cash	5,059	(19,125)
Net increase (decrease) in cash during the period	(254,193)	107,691
Cash and money market investments, beginning of the period	3,639,766	3,623,040
Cash and money market investments, end of the period	\$ 3,385,573	\$ 3,730,731

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

Nubeva Technologies Ltd.

Notes to the Condensed Interim Consolidated Financial Statements

For the six months ended October 31, 2024 and 2023

(Expressed in United States dollars)

1. NATURE OF OPERATIONS

Nubeva Technologies Ltd. (“the Company” or “Nubeva”) was incorporated under the provisions of The Business Corporations Act (British Columbia) on February 3, 2017. The Company was a Capital Pool Company and had no business operations prior to February 28, 2018. The Company’s shares trade on the TSX Venture Exchange (“TSX-V”) under the trading symbol “NBVA” and on the OTC PK Venture Market with the trading symbol “NBVAF.” The Company’s registered and records office are located at Suite 401, 750 West Pender Street, Vancouver, BC, V6C 2T7.

Nubeva is in the business of developing and licensing software-based decryption solutions, including Ransomware Reversal.

These consolidated financial statements have been prepared on a going concern basis which assumes that the Company will be able to realize its assets and discharge its liabilities in the normal course of business for the foreseeable future. The Company recognized a net loss for the six months ended October 31, 2024, of \$338,224. As at October 31, 2024, the Company’s current assets exceeded its current liabilities by \$3,526,503. Since inception, the Company has accumulated a \$17,961,396 deficit. Management estimates that its working capital position will provide the Company with sufficient financial resources to carry out planned operations through the next twelve months. Realization values may be substantially different from carrying values as shown and these consolidated financial statements do not give effect to adjustments that would be necessary to the carrying values and classification of assets and liabilities should the Company be unable to continue as a going concern. Such adjustments could be material. The Company is dependent upon making sales or raising debt and equity financing to provide the funding necessary to meet its general operating expenses and will require additional financing to continue to develop and deploy its technology. The Company has primarily incurred losses since inception and expects to incur further losses in the development of its business. These factors indicate a material uncertainty which may cast significant doubt upon the Company’s ability to continue as a going concern and, therefore, the Company may be unable to realize its assets and discharge its liabilities in the normal course of business. Although the Company has been successful in the past in obtaining financing, there is no assurance that it will be able to obtain adequate financing in the future or that such financing will be on terms advantageous to the Company.

2. STATEMENT OF COMPLIANCE**Basis of Preparation**

These condensed interim consolidated 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 International Financial Reporting Interpretation Committee (“IFRIC”). These condensed interim consolidated financial statements were approved by the Audit Committee on December 23, 2024.

Basis of Consolidation

The Company’s condensed interim consolidated financial statements include the accounts of the Company and its wholly owned subsidiaries:

Nubeva, Inc., registered in Delaware, USA; and
Nubeva Pty Ltd. registered in New South Wales, Australia

2. STATEMENT OF COMPLIANCE (CONTINUED)

Basis of Consolidation (continued)

A subsidiary is an entity (including special purpose entities) controlled by the Company, where control is achieved by the Company having the power to govern the financial and operating policies of the entity so as to obtain benefits from its activities. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Company controls another entity. The financial statements are consolidated from the date on which control is obtained by the Company and are de-consolidated from the date that control ceases. All intercompany transactions and balances have been eliminated.

Basis of Measurement

These condensed interim consolidated financial statements have been prepared on a historical cost basis, except for those assets and liabilities that are measured at fair value at the end of each reporting period. Additionally, these condensed interim consolidated financial statements have been prepared using the accrual basis of accounting, except for cash flow information.

3. ACCOUNTING STANDARDS AND AMENDMENTS ISSUED

Accounting standards or amendments to existing accounting standards that have been issued but have future effective dates are either not applicable or are not expected to have a significant impact on the Company's condensed interim consolidated financial statements.

4. CASH AND CASH EQUIVALENTS

	October 31, 2024	April 30, 2024
Cash	\$ 282,935	\$ 224,572
Money market funds	3,102,638	3,415,194
	\$ 3,385,573	\$ 3,639,766

5. ACCOUNTS RECEIVABLE

	October 31, 2024	April 30, 2024
Trade receivables	\$ 2,980	\$ 217,730
Allowance for doubtful accounts	-	(15,500)
Due from related party	169	-
GST receivable	12,211	9,606
	\$ 15,360	\$ 211,836

As of October 31, 2024, 0% (April 30, 2024 - 97%) of the Company's trade receivables are current, and the Company recorded \$Nil (October 31, 2023 - \$15,500) as an allowance for doubtful account related to a certain customer account.

Accounts receivable includes \$169 due from the Company's CEO for miscellaneous expenses at October 31, 2024.

One customer accounted for 84% of trade receivables on October 31, 2024 (April 30, 2024 - 91%).

Nubeva Technologies Ltd.

Notes to the Condensed Interim Consolidated Financial Statements

For the six months ended October 31, 2024 and 2023

(Expressed in United States dollars)

6. TAX CREDIT RECEIVABLE

The Company is eligible to receive tax credits from its eligible research and development expenditures. The Company records the anticipated tax credits as a reduction in the costs to which they apply, at such time that the amount of tax credits is estimable, and their receipt is reasonably assured.

Balance, April 30, 2024	\$	507,812
Tax credits received		(328,148)
Tax credit accrual		55,060
Foreign exchange		2,001
Balance, October 31, 2024	\$	236,725

7. PREPAID EXPENSES AND DEPOSITS

	October 31, 2024		April 30, 2024	
Deposit and prepaid office rent	\$	3,385	\$	3,348
Other		35,758		78,883
	\$	39,143	\$	82,231

8. EQUIPMENT

	Computer	
Cost		
As at April 30, 2024		10,288
Additions		5,649
As at October 31, 2024	\$	15,937
Accumulated depreciation		
As at April 30, 2024	\$	4,322
Amortization		1,343
As at October 31, 2024	\$	5,665
Net book value		
As at April 30, 2024	\$	5,966
As at October 31, 2024	\$	10,272

9. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	October 31, 2024		April 30, 2024	
Accounts payable (Note 12)	\$	24,738	\$	57,966
Accrued liabilities (Note 12)		54,715		84,930
	\$	79,453	\$	142,896

Nubeva Technologies Ltd.

Notes to the Condensed Interim Consolidated Financial Statements

For the six months ended October 31, 2024 and 2023

(Expressed in United States dollars)

10. INCOME TAX PAYABLE

	October 31, 2024	April 30, 2024
Income tax payable	\$ 65	\$ 203,303

During the six months ended October 31, 2024, the Company paid a total of \$203,238 to settle \$182,802 of income taxes, \$16,517 of penalties, and \$3,919 of interest.

11. DEFERRED REVENUE

	October 31, 2024	April 30, 2024
Deferred revenue, beginning	\$ 243,032	\$ 160,737
Revenue recognized that was included in the contract liabilities	(243,032)	(160,737)
Unearned revenues received	68,272	243,032
	\$ 68,272	\$ 243,032

All deferred revenue outstanding at October 31, 2024, is expected to be recognized in revenue within one year.

12. RELATED PARTY TRANSACTIONS

Key management personnel include people having the authority and responsibility for planning, directing, and controlling the activities of the Company as a whole. Key management personnel comprise of the members of the Company's Board of Directors, and corporate officers.

The following amounts, included in accounts payable and accrued liabilities (Note 9), are payable to related parties as of October 31, 2024 and April 30, 2024:

	October 31, 2024	April 30, 2024
Expenses incurred on behalf of Company	\$ -	\$ 6,066
Consulting	8,209	6,882
	\$ 8,209	\$ 12,948

These amounts are unsecured, non-interest bearing, and have no fixed terms of repayment.

The following amount is included in accounts receivable as of October 31, 2024:

	October 31, 2024	April 30, 2024
Miscellaneous expenses	\$ 169	\$ -

Key Management Compensation

The Company incurred the following expenses with directors, officers, and companies controlled by them, during the six months ended October 31, 2024 and 2023:

Nubeva Technologies Ltd.

Notes to the Condensed Interim Consolidated Financial Statements

For the six months ended October 31, 2024 and 2023

(Expressed in United States dollars)

12. RELATED PARTY TRANSACTIONS (CONTINUED)

	Six Months ended October 31, 2024	Six Months ended October 31, 2023
Salary	\$ 247,608	\$ 336,935
Consulting	83,291	88,964
Board services	54,841	90,551
Share-based compensation	9,854	424,626
	\$ 395,594	\$ 941,076

13. TERM LOANS PAYABLE*Economic Injury Disaster Loan Program ("EIDL")*

During the six months ended October 31, 2024, accretion and interest of \$1,618 (2023 - \$1,616) have been recorded on the EIDL loan in the condensed interim consolidated statement of comprehensive income and loss. Payments of \$1,254 (2023 - \$1,254) were made to reduce the EIDL loan during the six months ended October 31, 2024.

Bank of Montreal loan (formerly CEBA loan)

During the six months ended October 31, 2024, accretion and interest of \$90 (2023 - \$1,824) have been recorded on the loan and are included in the condensed interim consolidated statement of comprehensive income and loss. The Company paid \$23,558 (2023 - \$Nil) to extinguish the loan during the six months ended October 31, 2024.

Transactions for the six months ended October 31, 2024 are as follows:

Balance, April 30, 2024		\$	35,797
Accretion and interest			1,708
Payments			(23,558)
Foreign exchange			81
Balance, October 31, 2024		\$	14,028
	October 31, 2024	April 30, 2024	
Current portion	\$ 2,508	\$ 6,211	
Long term portion	11,520	29,586	
	\$ 14,028	\$ 35,797	

14. SHARE CAPITAL AND RESERVES

(a) Authorized

- Unlimited common shares without par value; and
- Unlimited Restricted Voting Common Shares without par value. Restricted Voting Common Shares may be entitled to receive dividends as and when declared by the Board of Directors, only if the same dividend is declared or paid on the common shares. Restricted Voting Common Shares may be converted into common shares on a one-for-one basis without payment of additional consideration, at the option of the holder with consent of the Board of Directors, and at any time at the option of the Board of Directors.

(b) Issued share capital

At October 31, 2024, there were 70,173,783 (April 30, 2024 – 70,048,993) common shares issued and fully paid and Nil (April 30, 2024 – 14,770,967) Restricted Voting Common Shares issued and fully paid.

On June 21, 2024, 14,770,967 restricted voting common shares were converted into voting common shares on a one for one basis.

(c) Shares issued during the period

During the six months ended October 31, 2024, the following shares were issued:

- 60,493 common shares pursuant to the exercise of options for proceeds of \$12,383.
- 64,297 common shares pursuant to the cashless exercise of 77,419 options.

(d) Share-based compensation

The Company has reserved 13,600,000 (April 30, 2024 - 13,600,000) common shares for issuance under all share compensation arrangements. The amended allocation of common shares reserved for equity compensation was as follows:

- (i) 13,500,000 common shares reserved for issuance under the Company's Fixed Share Option Plan; and
- (ii) 100,000 common shares reserved for issuance under the Company's Restricted Share Unit Plan.

The following table summarizes the Company's outstanding equity compensation as at October 31, 2024, and April 30, 2024:

(iii) Options

	October 31, 2024			April 30, 2024		
	Units	Weighted average exercise price (CAD \$)	Weighted average remaining life (years)	Units	Weighted average exercise price (CAD \$)	Weighted average remaining life (years)
Stock options	4,268,159	0.77	4.36	5,206,043	0.70	5.11

Nubeva Technologies Ltd.

Notes to the Condensed Interim Consolidated Financial Statements

For the six months ended October 31, 2024 and 2023

(Expressed in United States dollars)

14. SHARE CAPITAL AND RESERVES (CONTINUED)

(d) Share-based compensation (continued)

Options to purchase common shares may be granted to directors, consultants, officers and employees of the Company and its subsidiary for terms up to ten years at a price at least equal to the market price prevailing on the date of the grant.

The continuity of stock options for the six months ended October 31, 2024 and 2023 is as follows:

	Number of Options	Weighted Average Exercise Price (CAD\$)
Balance, April 30, 2024	5,206,043	0.70
Granted	30,000	0.27
Exercised	(137,912)	0.15
Forfeited/Cancelled	(829,972)	0.44
Balance, October 31, 2024	4,268,159	0.77

Share-based compensation – Black-Scholes Option Pricing Model

During the six months ended October 31, 2024, the Company granted 30,000 (2023 – 200,000) stock options to a consultant. The granted stock options were valued using the Black-Scholes Option Pricing Model. The fair value of the options granted was estimated to be \$7,261 (2023 - \$55,633) using the assumptions below. The options granted during the six months ended October 31, 2024, vest over 2 years (2023 – vested over 1 year) with an exercise price of CAD\$0.27 (2023 - CAD\$1.00).

See Note 19.

	Period ended October 31, 2024	Period ended October 31, 2023
Expected life of options	5 years	1 year
Annualized volatility	142.55%	84.38%
Risk-free interest rate	2.77%	5.26%
Dividend rate	-	-

During the six months ended October 31, 2024, the Company received \$12,383 (2023 - \$48,484) from the exercise of 60,493 options (2023 - 360,000 options). The fair value of \$9,729 (2023 - \$15,818) for the exercised options was transferred from share-based payments reserve to share capital.

An additional 64,297 common shares were issued pursuant to the cashless exercise of 77,419 options. The \$2,847 fair value of the cashless exercised options was transferred to share capital from share-based payments reserve.

Of the options issued under the Black-Scholes Option Pricing Model 829,972 (2023 – 255,000) stock options that were cancelled or forfeited with exercise prices ranging from CAD\$0.25 to CAD\$0.68 (2023 – CAD\$0.80 to CAD\$1.21) per share during the six months ended October 31, 2024. The Company transferred the \$161,863 (2023 - \$62,746) fair value of the cancelled or forfeited stock options from share-based payment reserve to the deficit.

14. SHARE CAPITAL AND RESERVES (CONTINUED)

(d) Share-based compensation (continued)

Share-based compensation of \$19,391 (2023 - \$132,863) using the Black-Scholes Option Pricing Model (excluding the vested options using the Monte Carlo Method) was recorded on vested options during the six months ended October 31, 2024.

Share-based compensation - Monte Carlo Method

During the six months ended October 31, 2024, the Company recognized \$2,096 (2023 - \$322,849) of the share-based compensation as calculated using the Monte Carlo simulation method.

On June 13, 2023, the Company cancelled Nil (2023 - 175,000) of the 6,000,000 Monte Carlo incentive stock options with an exercise price of Nil (2023 - CAD\$1.15) per share. The Company transferred the Nil (2023 - \$29,595) fair value of the cancelled stock options from share-based payment reserve to the deficit.

Details of options outstanding on October 31, 2024, are as follows:

Number of Options Outstanding	Expiry Date	Weighted Average Exercise Price (CAD\$)	Weighted Average Remaining Life (Years)
129,677	24-Nov-26	0.05	2.07
38,710	15-Feb-27	0.05	2.29
30,968	19-Jun-27	0.05	2.63
1,825,000	26-Jul-27	1.15	2.73
100,000	30-Aug-27	0.75	2.83
30,000	19-Oct-27	0.69	2.97
95,834	03-Nov-27	0.68	3.01
20,000	18-Sep-29	0.10	4.88
30,000	26-Sep-29	0.27	4.91
72,518	23-Apr-30	0.08	5.48
1,610,452	28-Dec-30	0.45	6.16
100,000	24-Feb-31	0.42	6.32
75,000	18-Nov-31	0.81	7.05
25,000	10-Jan-32	2.07	7.20
75,000	28-Feb-32	1.55	7.33
10,000	06-Apr-32	1.32	7.44
4,268,159		0.77	4.36

At October 31, 2024, there were 2,318,015 (April 30, 2024 –3,113,601) stock options exercisable.

(i) RSUs

RSUs are equity settled only and may be granted to directors, consultants, officers, and employees of the Company. Compensation expense is recognized based on the share price of the Company's common shares on the grant date multiplied by the number of RSU's expected to vest and recognized ratably over the vesting period, with a corresponding credit to the share-based compensation reserve. Adjustments to the number of RSUs expected to vest are recognized in the current period.

Nubeva Technologies Ltd.

Notes to the Condensed Interim Consolidated Financial Statements

For the six months ended October 31, 2024 and 2023

(Expressed in United States dollars)

14. SHARE CAPITAL AND RESERVES (CONTINUED)

(ii) Warrants

The continuity of warrants for the six months ended October 31, 2024, are as follows:

	Number of Warrants	Weighted Average Exercise Price (CAD\$)
Balance, April 30, 2024	2,486,072	1.51
Expired	(327,500)	1.25
Balance, October 31 2024	2,158,572	1.56

Warrants outstanding at October 31, 2024, are as follows:

Exercise Price CAD (\$)	Number of Warrants	Expiry Date
1.05	1,250,000	December 3, 2024
2.25	908,572	February 4, 2025
	2,158,572	

Expired warrants

On September 16, 2024, 327,500 warrants exercisable at CAD\$1.25 expired unexercised.

See Note 19.

(e) Reserves

The share-based payment reserve is comprised of items recognized as share-based compensation expense including RSU's and stock options. Upon exercise of options or vesting of RSU's the corresponding amount will be transferred from the reserve to share capital. In the event that share-based compensation is cancelled or expires unexercised, the corresponding amount is removed from the share-based payment reserve and credited to profit and loss.

The warrants reserve is comprised of the value of warrants issued as part of private placements. The value of warrants is transferred to share capital on the date they are exercised. The Company does not adjust the reserve for warrants that expire unexercised.

15. EXPENSES BY NATURE

For the three months ended October 31, 2024:

	General and Administration	Research and Development	Sales and Marketing
Office expense and operations	\$ 195,551	\$ 27,549	\$ 1,414
Personnel	57,299	85,131	-
Totals	\$ 252,850	\$ 112,680	\$ 1,414

Nubeva Technologies Ltd.

Notes to the Condensed Interim Consolidated Financial Statements

For the six months ended October 31, 2024 and 2023

(Expressed in United States dollars)

15. EXPENSES BY NATURE (CONTINUED)

For the three months ended October 31, 2023:

	General and Administration	Research and Development	Sales and Marketing
Office expense and operations	\$ 170,630	\$ 344,758	\$ 11,494
Personnel	61,486	65,396	204,830
Totals	\$ 232,116	\$ 410,154	\$ 216,324

For the six months ended October 31, 2024:

	General and Administration	Research and Development	Sales and Marketing
Office expense and operations	\$ 344,774	\$ 45,271	\$ 11,288
Personnel	115,203	286,577	-
Refund credit	-	-	-
Totals	\$ 459,977	\$ 331,848	\$ 11,288

For the six months ended October 31, 2023:

	General and Administration	Research and Development	Sales and Marketing
Office expense and operations	\$ 263,144	\$ 585,423	\$ 27,156
Personnel	141,397	154,074	410,972
Totals	\$ 404,541	\$ 739,497	\$ 438,128

16. REVENUE

	Period ended October 31, 2024	Period ended October 31, 2023
Software licenses and royalties	\$ 122,904	\$ 221,115
Support and maintenance	225,000	24,350
Subscriptions	63,715	1,227,522
Totals	\$ 411,619	\$ 1,472,987

The Company recognized revenues from contracts with customers in accordance with the following timing under IFRS 15:

	Period ended October 31, 2024	Period ended October 31, 2023
Recognized at a point in time	\$ 255,274	\$ 180,000
Recognized over the duration of contract	156,345	1,292,987
Totals	\$ 411,619	\$ 1,472,987

Nubeva Technologies Ltd.

Notes to the Condensed Interim Consolidated Financial Statements

For the six months ended October 31, 2024 and 2023

(Expressed in United States dollars)

16. REVENUE (CONTINUED)

Revenues are recognized at the point in time the Company has provided services to customers. Subscriptions, royalties, and support and maintenance contracts extending over a period of time are recognized over the contractual period. Revenue from software licenses with no further obligations to the Company are recognized upon transfer of the software.

During the six months ended October 31, 2024 and 2023, the following revenue percentages represent customers who contributed the most significant revenue to the Company:

	October 31, 2024	April 30, 2024
Customer A	0%	64%
Customer B	62%	23%
Customer C	23%	0%

The Company's revenue is earned in Canada and the United States.

17. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT**Classification of Financial Instruments**

Financial assets included in the condensed interim consolidated statement of financial position are as follows:

	Level in fair value hierarchy	Period ended October 31, 2024	Year ended April 30, 2024
Fair value through profit and loss:			
Cash and money market instruments	Level 1	\$ 3,385,573	\$ 3,639,766
Amortized cost:			
Accounts receivable		15,360	211,836
Totals		\$ 3,400,933	\$ 3,851,602

Financial liabilities included in the condensed interim consolidated statement of financial position are as follows:

	Period ended October 31, 2024	Year ended April 30, 2024
Amortized cost:		
Accounts payable and accrued liabilities	\$ 79,453	\$ 142,896
Term loan payable	14,028	35,797
Totals	\$ 93,481	\$ 178,693

17. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (CONTINUED)

Fair Value

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

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

The carrying value of the Company's financial assets and liabilities classified as amortized cost as at October 31, 2024 and 2023 approximate their fair value due to their short terms to maturity.

The following is an analysis of the contractual maturities of the Company's financial liabilities as at October 31, 2024:

	Within 12 months	After 12 months
Accounts payable and accrued liabilities	\$ 79,453	\$ -
Term loan payable	2,508	11,520
Totals	\$ 81,961	\$ 11,520

The Company is exposed in varying degrees to a variety of financial instrument-related risks. The Board of Directors approves and monitors the risk management processes, inclusive of documented investment policies, counterparty limits, and controlling and reporting structures.

Liquidity Risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they come due. The Company attempts to manage liquidity risk by maintaining sufficient cash. Liquidity requirements are managed based on expected cash flows to ensure that there is sufficient capital in order to meet short-term obligations. As at October 31, 2024, the Company had cash and cash equivalents of \$3,385,573 (April 30, 2024 - \$3,639,766) (Note 4) to settle current liabilities of \$150,298 (April 30, 2024 - \$595,442).

The Company estimates it has adequate working capital to continue operations for the next fiscal year. There is substantial uncertainty that the Company will be able to continue to meet its financial obligations as they come due if it cannot generate sales or raise additional capital, and there is no assurance that the Company will be able to raise sufficient capital or raise capital on terms advantageous to the Company.

Foreign Exchange Risk

Foreign currency risk is the risk that the fair values of future cash flows of a financial instrument will fluctuate because they are denominated in currencies that differ from the respective functional currency. The functional currency of Nubeva is Canadian dollars, the functional currency of one operating subsidiary is the Australian dollar, and the functional currency of its other operating subsidiary is the United States dollar. At October 31, 2024, the Company held financial instruments in the aggregate amount of \$1,369 (April 30, 2024 - \$3,936) denominated in currencies that differ from their functional currencies. A 10% change in the value of the United States dollar would impact the Company's net gain or loss by \$137 (April 30, 2024 - \$394).

17. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (CONTINUED)

Capital Management

The Company's objective in managing capital is to ensure sufficient liquidity to fund research and development and engage in sales and marketing activities while at the same time taking a conservative approach toward financial leverage and management of financial risk. The Company's capital is composed entirely of equity. The Company uses capital to finance its operating losses. There is substantial uncertainty that the Company will be able to continue to finance its operating losses. The Company currently funds these requirements from cash raised through the issuance of common shares. There is a risk that the Company will not be able to raise funds through the issuance of shares or on terms advantageous to the Company or its shareholders. The Company's objectives when managing capital are to ensure that the Company will have enough liquidity to continue to develop its software and services and engage in sales and marketing activities in order to obtain returns on investment.

The Company monitors its capital on the basis of the adequacy of its cash resources to fund its business plan. In order to maximize flexibility to finance growth, the Company does not currently pay a dividend to holders of its common shares. There is no external restriction on the Company's capital. The Company did not initiate any changes to its capital management strategy during the six months ended October 31, 2024.

Investment Risk

As of October 31, 2024, the Company's cash and cash equivalents were comprised of cash in the amount of \$282,935 (April 30, 2024 - \$224,572), and money market funds in the amount of \$3,102,638 (April 30, 2024 - \$3,415,194).

Money market funds were comprised as follows:

- i) 41% of Goldman Financial Square Government Fund is AAA rated and seeks current income to the extent consistent with the preservation of capital and the maintenance of liquidity by investing in U.S. Treasury Obligations, which include securities issued or guaranteed by the U.S. Treasury where the payment of principal and interest is backed by the full faith and credit of the U.S. government;
- ii) 56% of United States treasury bills is A-1+ rated and guaranteed by the U.S. Treasury where the payment of principal and interest is backed by the full faith and credit of the U.S. government; and
- iii) 2% Morgan Stanley MSBNA Preferred Savings Account insured by the Federal Deposit Insurance Corporation ("FDIC") up to applicable limits.

Although certain money market fund investments may be guaranteed, the funds themselves are not insured or guaranteed and the Company could lose money. An investment in the Goldman Financial Square Government Fund is guaranteed by the U.S. government. The prices of fixed income securities respond to economic developments, including interest rate changes. Prices may be inversely affected by changes in interest rates. Accordingly, money market funds are subject to interest rate risk, and in a rising interest rate environment, portfolio shares can decline in value.

Nubeva Technologies Ltd.

Notes to the Condensed Interim Consolidated Financial Statements

For the six months ended October 31, 2024 and 2023

(Expressed in United States dollars)

18. SEGMENT REPORTING

At October 31, 2024, the Company operates in one operating segment, the development and licensing of software-based decryption solutions, including Ransomware Reversal. The Company's equipment is located in Australia and the United States. All revenue recognized during the six months ended October 31, 2024 and 2023 was earned in Canada and the United States.

19. SUBSEQUENT EVENTS*Granted stock options*

On November 1, 2024, the Company granted a consultant 148,000 stock options, which are exercisable at CAD\$0.365 per share until November 1, 2027.

Expired warrants

On December 3, 2024, 1,250,000 warrants exercisable at CAD\$1.05 expired unexercised.