# P2P GROUP LTD.

**(Formerly PURE TO PURE BEAUTY INC.)**

**CONDENSED INTERIM FINANCIAL STATEMENTS**

**FOR THE THREE MONTHS ENDED DECEMBER 31, 2024 AND 2023**

*(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 consolidated 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.

**P2P GROUP LTD. (formerly Pure to Pure Beauty Inc.)**
**CONDENSED INTERIM STATEMENTS OF FINANCIAL POSITION**
**AS AT DECEMBER 31, 2024 AND SEPTEMBER 30, 2024**
*(Expressed in Canadian dollars)*

| | Notes | **December 31, 2024** | September 30, 2024 |
|---|---|---|---|
| | | $ | $ |
| **ASSETS** | | | |
| **Current assets** | | | |
| Cash | | **292,289** | 161,407 |
| Prepaid expenses | 8, 10 | **20,876** | 29,122 |
| Accounts and other receivables | 4 | **12,895** | 9,734 |
| **Total current assets** | | **326,060** | 200,263 |
| | | | |
| **Non-current assets** | | | |
| Intangible assets | 5 | **800,000** | 800,000 |
| Computer equipment | 6 | **4,735** | 1,446 |
| **Total assets** | | **1,130,795** | 1,001,709 |
| | | | |
| **LIABILITIES AND SHAREHOLDERS' EQUITY** | | | |
| **Current liabilities** | | | |
| Accounts payable and accrued liabilities | | **58,304** | 94,703 |
| Due to related parties | 8 | **46,159** | 39,221 |
| Subscriptions received | 7 | **8,400** | - |
| **Total current liabilities** | | **112,863** | 133,924 |
| | | | |
| **Non-current liability** | | | |
| Note payable | 9 | **75,000** | 75,000 |
| **Total liabilities** | | **187,863** | 208,924 |
| | | | |
| **Shareholders' equity** | | | |
| Share capital | 7 | **2,201,228** | 1,821,943 |
| Contributed surplus | 7 | **3,871** | 3,871 |
| Warrants reserve | 7 | **267,488** | 186,777 |
| Options reserve | 7 | **71,872** | 19,955 |
| Deficit | | **(1,601,527)** | (1,239,761) |
| **Total shareholders' equity** | | **942,932** | 792,785 |
| | | | |
| **Total liabilities and shareholders' equity** | | **1,130,795** | 1,001,709 |

**NATURE OF BUSINESS AND GOING CONCERN** (Note 1)
**SUBSEQUENT EVENTS** (Note 13)

The financial statements were authorized for issue by the board of directors on February 28, 2025 and were signed on its behalf by:

/S/ *"Simon Cheng"*

Simon Cheng, Director

/S/ *"Steven Pearce"*

Steven Pearce, Director

**P2P GROUP LTD. (formerly Pure to Pure Beauty Inc.)**
**CONDENSED INTERIM STATEMENTS OF LOSS AND COMPREHENSIVE LOSS**
**FOR THREE MONTHS ENDED DECEMBER 31, 2024 AND 2023**
*(Expressed in Canadian dollars)*

| | Notes | **2024** | 2023 |
|---|---|---|---|
| | | **$** | $ |
| **Operating expenses** | | | |
| Advertising and marketing | | **12,832** | 15,000 |
| Amortization | 5 | **-** | 1,250 |
| Depreciation | 6 | **163** | - |
| Consulting fees | | **144,399** | 16,150 |
| Computer and internet expenses | | **376** | - |
| Development costs | 8 | **86,219** | - |
| Interest and bank charges | | **692** | 281 |
| Insurance | | **1,750** | - |
| Listing and transfer agent expenses | | **4,956** | 6,193 |
| Management fees | 8 | **12,000** | 15,430 |
| Office and miscellaneous | | **11,948** | 4,108 |
| Professional fees | | **12,838** | 3,880 |
| Share-based compensation | 7, 8 | **51,917** | - |
| Travel | | **21,549** | - |
| **Total operating expenses** | | **(361,639)** | (62,292) |
| **Other items** | | | |
| Foreign exchange loss | | **(127)** | - |
| Write-down of intangible asset | 5 | **-** | - |
| **Net loss and comprehensive loss for the period** | | **(361,766)** | (62,292) |
| **Net loss per common share, basic and diluted** | | **(0.00)** | (0.00) |
| **Weighted average number of common shares outstanding** | | **94,830,239** | 53,076,882 |

**P2P GROUP LTD. (formerly Pure to Pure Beauty Inc.)**
**CONDENSED INTERIM STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY**
**FOR THREE MONTHS ENDED DECEMBER 31, 2024 AND 2023**
*(Expressed in Canadian dollars)*

| | Number of Shares | Share Capital | Contributed Surplus | Warrants reserve | Options reserve | Deficit | Total |
|---|---|---|---|---|---|---|---|
| **Balance, September 30, 2023** | **53,076,882** | **820,628** | **3,871** | - | - | **(784,602)** | **39,897** |
| Comprehensive loss for the period | - | - | - | - | - | (62,292) | (62,292) |
| **Balance, December 31, 2023** | **53,076,882** | **820,628** | **3,871** | **-** | **-** | **(846,894)** | **(22,395)** |
| | | | | | | | |
| **Balance, September 30, 2024** | **91,971,882** | **1,821,943** | **3,871** | **186,777** | **19,955** | **(1,239,761)** | **792,785** |
| Private placements | 6,344,158 | 380,650 | - | 63,441 | - | - | 444,091 |
| Warrants issued for services | | - | - | 17,270 | - | - | 17,270 |
| Share issuance costs | - | (1,365) | - | - | - | - | (1,365) |
| Vesting of options | - | - | - | - | 51,917 | - | 51,917 |
| Comprehensive loss for the period | - | - | - | - | - | (361,766) | (361,766) |
| **Balance, December 31, 2024** | **98,316,040** | **2,201,228** | **3,871** | **267,488** | **71,872** | **(1,601,527)** | **942,932** |

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

**P2P GROUP LTD. (formerly Pure to Pure Beauty Inc.)**
**CONDENSED INTERIM STATEMENTS OF CASH FLOWS**
**FOR THREE MONTHS ENDED DECEMBER 31, 2024 AND 2023**
*(Expressed in Canadian dollars)*

| | 2024 | 2023 |
|---|---|---|
| | $ | $ |
| **OPERATING ACTIVITIES** | | |
| Net loss for the period | **(361,766)** | (62,292) |
| Adjustments for: | | |
| Amortization | **-** | 1,250 |
| Depreciation | **163** | - |
| Share-based compensation | **51,917** | - |
| Warrants issued for services | **17,270** | - |
| Changes in non-cash working capital items: | | |
| Increase in accounts and other receivables | **(3,161)** | (2,557) |
| Decrease in prepaid expenses | **8,246** | - |
| Decrease in accounts payable and accrued liabilities | **(36,399)** | (11,303) |
| Subscriptions received | **8,400** | - |
| Increase in due to related parties | **6,938** | 4,968 |
| **Net cash used in operating activities** | **(308,392)** | (69,934) |
| **INVESTING ACTIVITY** | | |
| Purchase of computer equipment | **(3,452)** | - |
| **Net cash used in investing activity** | **(3,452)** | - |
| **FINANCING ACTIVITIES** | | |
| Short term loan repaid | **-** | (43,000) |
| Proceeds from shares issued, net of share issuance costs | **442,726** | - |
| **Net cash received from financing activities** | **442,726** | (43,000) |
| **Change in cash** | **130,882** | (112,934) |
| Cash, beginning of the period | **161,407** | 174,283 |
| **Cash, end of the period** | **292,289** | 61,349 |

Supplemental disclosure with respect to cash flows:

| | | |
|---|---|---|
| | $ | $ |
| Income tax paid | **-** | - |
| Interest paid | **-** | - |

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

## 1. NATURE OF BUSINESS AND GOING CONCERN

P2P Group Ltd. (formerly Pure to Pure Beauty Inc.) (the "Company" or "P2P") was incorporated on September 29, 2014 under the laws of British Columbia, Canada. Its registered office is located at 2200 HSBC Building 885 West Georgia Street, Vancouver, British Columbia V6C 3E8. The Company was incorporated as a wholly-owned subsidiary of Cascadia Blockchain Group Corp. ("Cascadia") for the purposes of a re-organization of Cascadia pursuant to a plan of arrangement ("Plan of Arrangement") under the Business Corporation Act of British Columbia. The Plan of Arrangement became effective on November 28, 2014. The Company became a reporting issuer in British Columbia, Alberta and Ontario on November 28, 2014. The principal business of the Company was the development and sale of consumer product goods under its own brand.

On September 1, 2022, the Company's common shares began trading on the Canadian Securities Exchange under the stock ticker symbol "PPB".

On June 14, 2024, the Company has completed the acquisition of all rights and intellectual property related to the product known as Inturai in exchange for 20 million common shares of the Company. Inturai is currently being developed as a consumer hardware technology platform that uses the signal from existing consumer hardware, such as a Wi-Fi router, to capture significant information about what is happening in the area covered by the signal and turn it into spatial intelligence and movement tracking. Unlike other monitoring systems, Inturai technology can be used to track and categorize certain movements without the need to install cameras or multiple sensors and wearable hardware devices.

On July 26, 2024, the Company changed its name to P2P Group Ltd. Shares began trading under the new name and with a new CUSIP number on July 26, 2024. The symbol remained the same.

### Going concern

These financial statements are prepared on a going concern basis, which assumes that the Company will continue its operations for a reasonable period. As at December 31, 2024, the Company has incurred losses since its inception and has an accumulated deficit of $1,601,527 (September 30, 2024 - $1,239,761). The Company's ability to continue its operations and to realize assets at their carrying values is dependent upon obtaining additional financing or maintaining continued support from its shareholders and creditors, identifying and acquiring businesses or assets, and generating profitable operations in the future, which raises significant doubt about the Company's ability to continue as a going concern. These financial statements do not include any adjustments to the amounts and classification of assets and liabilities that might be necessary should the Company be unable to continue as a going concern.

## 2. BASIS OF PREPARATION

### Statement of compliance

These financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS"), as issued by International Accounting Standards Board ("IASB").

### Basis of measurement

These financial statements have been prepared on a historical cost basis except for certain financial instruments that are measured at fair value. Historical cost is generally based on the fair value of the consideration given in exchange for assets. In addition, these financial statements have been prepared using the accrual basis of accounting, except for cash flow information.

## 2. BASIS OF PREPARATION (continued)

### Functional and presentation currency

The presentation and functional currency of the Company is the Canadian dollar.

## 3. MATERIAL ACCOUNTING POLICIES

### Use of estimates and judgements

The preparation of these financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements and revenues and expenses for the periods reported. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgments about carrying values of assets and liabilities that are not readily apparent from other sources. A significant area requiring the use of management estimates is the amount to be recognized on deferred income taxes and liabilities. Actual results could differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised, if the revision affects only that period, or in the period of the revision and further periods if the review affects both current and future periods.

Critical accounting judgements are accounting policies that have been identified as being complex or involve subjective judgments or assessments with a significant risk of material adjustment in the next fiscal year. The more significant area where management judgement has been applied is the ability of the Company to continue as a going concern.

### Intangible assets

The Company's intangible assets consist of developed technologies, trademarks, trade secrets, know-how, and domain names (Note 5). Infinite life intangible assets are recorded at cost less accumulated impairment losses. Finite life intangible assets are recorded at cost and are amortized once they are in use on a straight-line basis over their estimated useful lives as follows:

| Category | Useful life |
|---|---|
| Trademarks, trade secrets, know-how, and domain names | 10 years |
| Developed technologies | 15 years |

At the end of each reporting period, the Company assesses whether there has been any indication that an asset may be impaired. If an impairment indicator exists, the recoverable amount is determined and compared to the carrying amount of the asset or the CGU to which the asset relates. If the recoverable amount is lower, any difference between the carrying amount and the recoverable amount is written off to profit or loss as an impairment charge.

### Property, plant and equipment

Management determines the estimated useful lives and residual values of property and equipment for calculating depreciation. This estimate is determined after considering expected usage of the assets or physical wear and tear. Management reviews the useful lives and residual value annually and future depreciation charges are adjusted where management believes the useful lives differ from previous estimates.

## 3. MATERIAL ACCOUNTING POLICIES (continued)

### Depreciation

Depreciation is provided on a straight-line basis on all property, plant, and equipment, at rates that will write-off the cost of the assets to their estimated residual values over their useful lives. The useful lives and associated depreciation rates of major classes of assets have been estimated as follows:

| Category | Useful life |
|---|---|
| Computer equipment | 5 years |

The residual value and useful life of an asset is reviewed, and adjusted if applicable, at each financial year end.

### Financial instruments

(i) Financial assets - Classification

The Company classifies its financial assets in the following categories:

- Those to be measured subsequently at fair value (either through Other Comprehensive Income ("FVOCI"), or through profit or loss ("FVTPL"), and
- Those to be measured at amortized cost.

The classification depends on the Company's business model for managing the financial assets and the contractual terms of the cash flows. For assets measured at fair value, gains and losses are either recorded in profit or loss or other comprehensive income.

(ii) Financial assets - Measurement

At initial recognition, the Company measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVTPL are expensed in profit or loss. Financial assets are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

Subsequent measurement of financial assets depends on their classification. There are three measurement categories under which the Company classifies its financial instruments:

- Amortized cost: Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortized cost. A gain or loss on a debt investment that is subsequently measured at amortized cost is recognized in profit or loss when the asset is derecognized or impaired. Interest income from these financial assets is included as finance income using the effective interest rate method.

## 3. MATERIAL ACCOUNTING POLICIES (continued)

(ii) **Financial instruments – Measurement** (continued)

- FVOCI: Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at FVOCI. Movements in the carrying amount are taken through other comprehensive income ("OCI"), except for the recognition of impairment gains and losses, interest revenue, and foreign exchange gains and losses which are recognized in profit or loss. When the financial asset is derecognized, the cumulative gain or loss previously recognized in OCI is reclassified from equity to profit or loss and recognized in other gains (losses). Interest income from these financial assets is included as finance income using the effective interest method. The Company has not designated any financial assets at FVOCI.

- FVTPL: Assets that do not meet the criteria for amortized cost or FVOCI are measured at FVTPL. A gain or loss on an investment that is subsequently measured at FVTPL is recognized in profit or loss and presented net as revenue in the Statement of Loss and Comprehensive Loss in the period in which it arises. The Company has classified its cash as FVTPL.

(iii) Financial liabilities

The Company classifies its financial liabilities into the following categories:

- FVTPL; and
- Amortized cost.

A financial liability is classified as at FVTPL if it is classified as held-for-trading or is designated as such on initial recognition. Directly attributable transaction costs are recognized in profit or loss as incurred. The fair value changes to financial liabilities at FVTPL are presented as follows:

- the amount of change in the fair value that is attributable to changes in the credit risk of the liability is presented in OCI; and

- the remaining amount of the change in the fair value is presented in profit or loss. The Company has not designated any financial liabilities at FVTPL.

Other non-derivative financial liabilities are initially measured at fair value less any directly attributable transaction costs. Subsequent to initial recognition, these liabilities are measured at amortized cost using the effective interest method. The Company has classified its accounts payable and accrued liabilities, shareholder loan and due to related parties as amortized cost.

## 3. MATERIAL ACCOUNTING POLICIES (continued)

### Impairment

(i) Non-financial assets

The carrying amounts of the Company's non-financial assets, other than deferred income tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the assets' recoverable amount is estimated.

For the purpose of impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or group of assets (the "cash-generating unit").

An impairment loss is recognized if the carrying amount of a cash-generating unit exceeds its estimated recoverable amount. The recoverable amount of an asset or a cash-generating unit is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cost flows are discounted to their present value using a pre-tax discount rate that reflects current market assessment of the time value of money and the risks specific to the assets. Impairment losses are recognized in net income (loss).

Impairment losses recognized in prior years are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation, if no impairment loss has been recognized.

(ii) Financial assets

A financial asset not carried at fair value through profit or loss is assessed at each reporting date to determine whether there is objective evidence that it is impaired. A financial asset is impaired if objective evidence indicates that a loss event has occurred after the initial recognition of the asset, and that the loss event had a negative effect on the estimated future cash flows of that asset that can be estimated reliably.

(iii) Financial assets

The Company recognizes loss allowances for expected credit losses ("ECLs") on its financial assets measured at amortized cost. Due to the nature of its financial assets, the Company measures loss allowances at an amount equal to expected lifetime ECLs. Lifetime ECLs are the anticipated ECLs that result from all possible default events over the expected life of a financial asset. ECLs are a probability- weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Company expects to receive). ECLs are discounted at the effective interest rate of the related financial asset. The Company does not have any financial assets that contain a financing component.

## 3. MATERIAL ACCOUNTING POLICIES (continued)

### Provisions

Provisions are recorded when a present legal or constructive obligation exists as a result of past events where it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate of the amount of the obligation can be made. The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the statement of financial position date, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows. When some or all the economic benefits required to settle, a provision is expected to be recovered from a third party, the receivable is recognized as an asset if it is virtually certain that reimbursement will be received and the amount receivable can be measured reliably.

### Share capital

The Company records proceeds from the issuance of its common shares as equity. Incremental costs directly attributable to the issue of new common shares are shown in equity as a deduction, net of tax, from the proceeds. Common shares issued for consideration other than cash are valued based on their market value at the date that the shares are issued.

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 most easily measurable component based on fair value and then the residual value, if any, to the less easily measurable component.

### Financing costs

Professional, consulting, regulatory and other costs directly attributable to financing transactions are recorded as deferred financing costs until the financing transactions are completed, if the completion of the transaction is considered likely; otherwise, they are expensed as incurred. Share issue costs are charged to share capital when the related shares are issued. Deferred financing costs related to financing transactions that are not completed are charged to earnings.

### Loss per share

The Company presents basic and diluted loss per share data for its common shares, calculated by dividing the loss attributable to common shareholders of the Company by the weighted average number of common shares outstanding during the period. Diluted loss per share does not adjust the loss attributable to common shareholders or the weighted average number of common shares outstanding when the effect is anti- dilutive.

## 3. MATERIAL ACCOUNTING POLICIES (continued)

### Income taxes

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the statement of financial position date, and includes any adjustment to tax payable or receivable in respect of previous years.

Deferred taxes are recorded using the liability method whereby deferred tax is recognized in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.

Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, based on the laws that have been enacted or substantively enacted at the end of each reporting period. Deferred tax is not recognized for temporary differences which arise on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affect neither accounting nor taxable profit or loss.

A deferred tax asset is recognized for unused tax losses, tax credits and deductible temporary differences, to the extent that it is probable that future taxable profits will be available against which they can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

### Revenue

The Company generates revenue from the sale of consumer product goods. Revenue from the product sales is recognized upon the transfer of title of the product to the customer.

The Company considers IFRS 5-step revenue recognition framework when assessing appropriate revenue recognition as follows:

- Identify the contract(s) with a customer.
- Identify the performance obligations in the contract.
- Determine the transaction price.
- Allocate the transaction price to the performance obligations in the contract.
- Recognise revenue when (or as) the entity satisfies a performance obligation.

### Changes in accounting policies including initial adoption

The Company has not yet adopted certain standards, interpretations to existing standards and amendments which have been issued but have an effective date later than October 1, 2024. These updates are not currently relevant to the Company or are not expected to have a material impact on the financial statements and are therefore not discussed herein.

*(Expressed in Canadian dollars)*

## 4. ACCOUNTS AND OTHER RECEIVABLES

The Company's other receivable are as follows:

| | **December 31, 2024** | September 30, 2024 |
|---|---|---|
| | **$** | $ |
| GST/HST receivable | **12,895** | 9,734 |
| | **12,895** | 9,734 |

## 5. INTANGIBLE ASSETS

During the year ended September 30, 2021, the Company acquired certain intangible assets from its Chief Executive Officer prior to his joining, in exchange of 2,500,000 common shares in the capital of the Company at a fair value of $50,000. At the year-ended September 30, 2024, Company decided to write-off the intangible asset due to a shift in business focus. Accordingly, the Company recognized a write-off of intangible asset of $33,534.

On June 28, 2024, the Company completed the acquisition of all rights and intellectual property related to the product known as Inturai under an amended and restated asset purchase agreement (the "Purchase Agreement"). Pursuant to the terms of the Purchase Agreement, and in consideration for the acquisition of the Inturai assets, the Company issued 20,000,000 common shares of the Company to the Inturai (Note 7). In addition to the consideration shares, the vendors are entitled to receive the following performance payments over the course of a five-year period:

- 2,500,000 common shares of the Company if Inturai generates $250,000 in cumulative revenue by March 31, 2026;
- an additional 3,000,000 common shares of the Company if Inturai generates $250,000 in quarterly revenue by March 31, 2027;
- an additional 4,000,000 common shares of the Company if Inturai generates $500,000 in quarterly revenue or breaks-even by March 31, 2028; and
- an additional 5,000,000 common shares of the Company if Inturai achieves $1,000,000 in quarterly revenue, or if the Company's common shares trade at a 15-day volume- weighted average price of more than $0.30 by March 31, 2029 (collectively, the "Performance Payment Shares").

The contingent consideration is payable if, and only if, the applicable target has been met. The measurement of contingent consideration is impacted by estimated probabilities and the likelihood that the target will be met, which is payable in common shares, if such target is met. This estimated probability is subjective and is significantly impacted by various factors as of the acquisition date. As of the acquisition date, June 28, 2024, the Company estimated the fair value of the contingent consideration to be $nil. The contingent consideration is accounted for under IFRS 2 – Share based payments with no remeasurement in the subsequent period.

As of December 31, 2024, Inturai intangible asset was still not available for use so that no amortization has been recognized.

*(Expressed in Canadian dollars)*

## 5. INTANGIBLE ASSETS (continued)

As at December 31, 2024, intangible assets consist of the following:

| | Pure to Pure Beauty<br>$ | Inturai<br>$ | Total<br>$ |
|---|---|---|---|
| **Cost** | | | |
| Balance, September 30, 2023 | 50,000 | - | 50,000 |
| Additions during the year | - | 800,000 | 800,000 |
| Write-down of intangible asset | (50,000) | - | (50,000) |
| **Balance, September 30, 2024 and December 31, 2024** | **-** | **800,000** | **800,000** |
| **Accumulated amortization** | | | |
| Balance, September 30, 2023 | 11,466 | - | 11,466 |
| Amortization during the year | 5,000 | - | 5,000 |
| Write-down of intangible asset | (16,466) | | (16,466) |
| **Balance, September 30, 2024 and December 31, 2024** | **-** | **-** | **-** |
| **Net book value** | | | |
| Balance, September 30, 2024 | **-** | 800,000 | 800,000 |
| **Balance, December 31, 2024** | **-** | **800,000** | **800,000** |

## 6. COMPUTER EQUIPMENT

Computer equipment consists of the following:

| **Cost** | $ |
|---|---|
| Balance, September 30, 2023 | - |
| Additions during the year | 1,509 |
| Balance, September 30, 2024 | 1,509 |
| Additions during the period | 3,452 |
| **Balance, December 31, 2024** | **4,961** |
| **Accumulated depreciation** | |
| Balance, September 30, 2023 | - |
| Depreciation during the year | 63 |
| Balance, September 30, 2024 | 63 |
| Depreciation during the period | 163 |
| **Balance, December 31, 2024** | **226** |
| **Net book value** | |
| Balance, September 30, 2024 | 1,446 |
| **Balance, December 31, 2024** | **4,735** |

## 7. SHARE CAPITAL

### Authorized

The Company has authorized an unlimited number of common and preferred shares with no par value.

### Issued and outstanding

On May 21, 2024 the Company completed a non-brokered private placement of 13,880,000 units of the capital of the Company at a price of $0.02 per unit for gross proceeds of $277,600. Each unit consists of one common share and one-half of one share purchase warrant. Each whole warrant is exercisable by the warrant holder to acquire one additional share at a price of $0.10 per share for a period of two years from the date of closing. In connection with this private placement, the Company paid finder's fees in the amount of 22,400 non-transferable broker warrants exercisable at $0.10 for a period of 12 months and other cash costs of $447.

On May 31, 2024 the Company completed a non-brokered private placement of 4,765,000 units of the capital of the Company at a price of $0.02 per share for gross proceeds of $95,300. Each unit consists of one common share and one-half of one share purchase warrant. Each whole warrant is exercisable by the warrant holder to acquire one additional share at a price of $0.10 per share for a period of two years from the date of closing. In connection with this private placement, the Company paid finder's fees in the amount of 20,000 non-transferable broker warrants exercisable at $0.10 for a period of 12 months and other cash costs of $400.

On June 28, 2024, the Company completed the acquisition of all rights and intellectual property related to the product known as Inturai in exchange for 20,000,000 common shares of the Company valued at $800,000 (Note 5).

On September 27, 2024, 250,000 options were exercised at an exercise price of $0.05 for total proceeds of $12,500.

On November 20, 2024, pursuant to a non-brokered private placement of 6,344,158 units of the capital of the Company at a price of $0.07 per share for gross proceeds of $444,091. Each unit consists of one common share and one-half of one share purchase warrant. Each whole warrant is exercisable by the warrant holder to acquire one additional share at a price of $0.14 per share for a period of two years from the date of closing. The warrants will also be subject to an acceleration clause whereby, in the event the volume weighted average trading price of the shares on the exchange is greater than $0.20 for a period of 10 consecutive trading days, the issuer will provide written notice to the holders that the warrants are to be exercised within 10 business days. A value of $63,441 was assigned to these warrants using the residual value method. In connection with this private placement, the Company paid finder's fees of cash in the amount of $1,365.

On November 22, 2024, the company received $8,400 from a subscriber after the private placement closed on November 20, 2024. Shares were not issued, and the funds were returned on February 10, 2025.

### Escrow shares

As at December 31, 2024, the Company has 1,411,592 shares held in escrow.

## 7. SHARE CAPITAL (continued)

### Share purchase warrants

On May 21, 2024, pursuant to a non-brokered private placement of 13,880,000 units of the capital of the Company at a price of $0.02 per unit for gross proceeds of $277,600, the Company issued 6,940,000 share purchase warrants, with an exercise price of $0.10 per share exercisable for a period of 2 years, valued at $138,800 using residual value method. In connection with this private placement, the Company paid finder's fees in the amount of 22,400 non-transferable broker warrants exercisable at $0.10 per share for a period of 12 months. The fair value of these finder's warrants granted was determined to be $174 using Black Scholes Option Pricing Model with the following assumptions: share price at grant date - $0.01; exercise price - $0.10; expected life – 1 year; volatility – 345%; dividend yield – 0%; and risk-free rate – 4.49%.

On May 31, 2024, pursuant to a non-brokered private placement of 4,765,000 units of the capital of the Company at a price of $0.02 per share for gross proceeds of $95,300, the Company issued 2,382,500 share purchase warrants, with an exercise price of $0.10 per share exercisable for a period of 2 years, valued at $47,650 using the residual value method. In connection with this private placement, the Company paid finder's fees in the amount of 20,000 non-transferable broker warrants exercisable at $0.10 per share for a period of 12 months. The fair value of these finder's warrants granted was determined to be $153 using Black Scholes Option Pricing Model with the following assumptions: share price at grant date - $0.01; exercise price - $0.10; expected life – 1 year; volatility – 340%; dividend yield – 0%; and risk-free rate – 4.46%.

On November 20, 2024, pursuant to a non-brokered private placement of 6,344,158 units of the capital of the Company at a price of $0.07 per share for gross proceeds of $444,091. Each unit consists of one common share and one-half of one share purchase warrant. Each whole warrant is exercisable by the warrant holder to acquire one additional share at a price of $0.14 per share for a period of two years from the date of closing. The warrants will also be subject to an acceleration clause whereby, in the event the volume weighted average trading price of the shares on the exchange is greater than $0.20 for a period of 10 consecutive trading days, the Issuer will provide written notice to the holders that the warrants are to be exercised within 10 business days. A value of $63,441 was assigned to these warrants using the residual value method. In connection with this private placement, the Company paid finder's fees of cash in the amount of $1,365.

On December 23, 2024, the Company granted 250,000 warrants to a consultant for services for the period from December 19, 2024 to January 30, 2025. The warrants are exercisable into common shares of the Company at an exercise price of $0.14 per share for a period of 24 months. The fair value of these warrants granted was determined to be $17,270 using Black Scholes Option Pricing Model with the following assumptions: share price at grant date - $0.07; exercise price - $0.14; expected life – 2 years; volatility – 366%; dividend yield – 0%; and risk-free rate – 3.03%.

*(Expressed in Canadian dollars)*

## 7. SHARE CAPITAL (continued)

### Share purchase warrants (continued)

The following table summarizes the Company's warrant activities during the period ended December 31, 2024:

| | Number of warrants | Weighted average exercise price |
|---|---|---|
| | | $ |
| **Balance, September 30, 2023** | - | - |
| Additions | 9,364,900 | 0.10 |
| **Balance, September 30, 2024** | **9,364,900** | **0.10** |
| Additions | 3,422,079 | 0.14 |
| **Balance, December 31, 2024** | **12,786,979** | **0.11** |

During the three months ended December 31, 2024 no warrants were exercised.

As at December 31, 2024, the following warrants remain outstanding:

| Number of warrants | Exercise price | Expiry date | Remaining life (years) |
|---|---|---|---|
| | $ | | |
| 22,400 | 0.10 | May 21, 2025 | 0.39 |
| 20,000 | 0.10 | May 31, 2025 | 0.41 |
| 6,940,000 | 0.10 | May 21, 2026 | 1.39 |
| 2,382,500 | 0.10 | May 31, 2026 | 1.41 |
| 3,172,079 | 0.14 | November 20, 2026 | 1.89 |
| 250,000 | 0.14 | December 23, 2026 | 1.98 |
| **12,786,979** | **0.11** | | **1.52** |

### Share options

On August 30, 2024, the Company granted a total of 12,500,000 stock options to directors, officers and advisors pursuant to the terms of its equity incentive plan. These options have an exercise price of $0.05 per share and an expiry date of August 30, 2029. 12,250,000 stock options vest quarterly over a 24-month period and 250,000 stock options granted to a consultant vest immediately.

The fair value of the options was estimated using the Black Scholes option pricing model and the following assumptions:

| | August 30, 2024 |
|---|---|
| Number of Options | 12,500,000 |
| Share Price | $0.015 |
| Risk-Free Annual Interest Rate | 2.97% |
| Annualized Volatility | 189.68% |
| Expected Life of Option | 5 years |
| Expected Annual Dividend | 0% |

*(Expressed in Canadian dollars)*

## 7. SHARE CAPITAL (continued)

### Share options (continued)

The Company calculated the fair value of these options to be $176,957. In relation to the vesting of the options granted, the Company recognized a share-based compensation expense of $51,917 for the period ended December 31, 2024 (December 31, 2023 - $Nil).

On September 27, 2024, 250,000 options were exercised at an exercise price of $0.05 for total proceeds of $12,500. Quoted market price of the Company's shares on the date of exercise was $0.06 per share.

The following table summarizes the Company's option activities during the period ended December 31, 2024:

| | Number of options | Weighted average exercise price |
|---|---|---|
| | | $ |
| **Balance, September 30, 2023** | - | - |
| Additions | **12,500,000** | **0.05** |
| Exercised | (250,000) | 0.05 |
| **Balance, December 31 and September 30, 2024** | **12,250,000** | **0.05** |

As at December 31, 2024, the following options remain outstanding:

| Number of options | Exercise price | Expiry date |
|---|---|---|
| | $ | |
| 12,250,000 | 0.05 | August 30, 2029 |
| **12,250,000** | | |

*(Expressed in Canadian dollars)*

## 8. RELATED PARTY TRANSACTIONS AND BALANCES

Key management includes current and former directors, the Chief Executive Officer, Chief Financial Officer and the Vice-President of Engineering of the Company. Salaries and benefits incurred are presented gross of any reimbursements from the Company.

**Key management personnel compensation**

During the three months period of December 31, 2024 and 2023, the Company incurred the following compensation to key management personnel:

| | **2024** | 2023 |
|---|---|---|
| | **$** | $ |
| Consulting fees | **70,870** | - |
| Management fees | **12,000** | 15,430 |
| Development costs | **60,000** | - |
| Share-based compensation | **27,970** | - |
| | **170,840** | 15,430 |

**Due to related parties**

Amounts due to related parties of $46,159 (September 30, 2024 - $39,221) are payable to officers and directors of the Company, and companies controlled by officers and directors. These amounts are unsecured, non-interest bearing and due on demand.

As of December 31, 2024, the Company has $2,541 (September 30, 2024 - $2,541) prepaid to the CFO for expenses (Note 10).

## 9. NOTE PAYABLE

In November 2020, the Company settled all amounts due to a shareholder in the amount of $61,015 and amounts due to a former officer and director of the Company in the amount of $16,447 included in accounts payable and accrued liabilities for an aggregate settlement amount of $77,462, for a total consideration of $75,000 of which $37,500 is payable in cash or shares at the discretion of the creditors and $37,500 is payable in cash or shares at the Company's discretion. The price per share will be based on the future qualifying transaction to be completed by the Company. The debt settlement resulted in a gain of $2,462. The amount outstanding is unsecured, non-interest bearing and with no fixed repayment terms.

## 10. PREPAID EXPENSES

As of December 31, 2024, prepaid expenses consist of $3,150 in prepaid insurance expenses, $2,541 paid to the CFO for expenses (Note 8), $2,850 prepaid for advertising and marketing expense $12,335 for prepaid consulting expense.

As of September 30, 2024, prepaid expenses consist of $4,900 in prepaid insurance expenses, $2,541 paid to the CFO for expenses (Note 8), $17,822 prepaid for consulting expense, and $3,859 prepaid for advertising and marketing expense.

## 11. FINANCIAL INSTRUMENTS

### Classification and fair value

The Company's financial instruments consist of cash, accounts payable and accrued liabilities, due to related parties, short term loan and note payable. Financial instruments are classified into one of the following categories: FVTPL, FVTOC, or amortized cost. The carrying values of the Company's financial instruments are classified into the following categories.

The following table summarized the carrying values of the Company's financial instruments:

| | **December 31, 2024** | September 30, 2024 |
|---|---|---|
| | **$** | $ |
| Financial assets at fair value through profit or loss (i) | **292,289** | 161,407 |
| Financial liabilities measured at amortized cost (ii) | **187,863** | 208,924 |

(i) Cash
(ii) Accounts payable and accrued liabilities, subscriptions received, due to related parties, short term loan and note payable

Financial instruments measured at fair value on a recurring basis are classified into one of three levels in the fair value hierarchy based on the degree to which the inputs used to determine the fair value are observable. The three levels of the fair value hierarchy are:

Level 1 - quoted prices (unadjusted) in active markets for identical assets or liabilities;
Level 2 - inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly; and
Level 3 - inputs for the asset or liability that are not based on observable market data (unobservable input).

Cash is classified as Level 1. The Company does not have any financial assets classified as Level 2 or 3.

The fair value of accounts payable and accrued liabilities, due to related parties, short term loan and note payable approximate their book values because of the short-term nature of these instruments, and/or the terms of the repayment.

### Financial risk management

The Company's financial risks arising from its financial instruments are currency risk, credit risk, liquidity risk, and interest rate risk. The Company's exposure to these risks and the policies on how to mitigate these risks are set out below. Management manages and monitors these exposures to ensure appropriate measures are implemented in a timely and effective manner.

*Currency risk*

The Company's expenses are denominated in Canadian dollars. The Company's corporate office is based in Canada and its current exposure to exchange rate fluctuations is minimal. The Company does not have any foreign currency denominated monetary assets or liabilities.

## 11. FINANCIAL INSTRUMENTS (continued)

### Financial risk management (continued)

*Credit risk*

Credit risk is the risk of potential loss to the Company if the counter party to a financial instrument fails to meet its contractual obligations. The Company does not have any significant credit risk. Cash is held in a major financial institution.

*Liquidity risk*

Liquidity risk is the risk that the Company will not meet its obligations associated with its financial liabilities as they fall due. The Company manages liquidity risk through the management of its capital structure and financial leverage. Management closely monitors the liquidity position and expects to have adequate sources of funding to finance the Company's projects and operations. As at December 31, 2024, the Company had a working capital of $213,197 (September 30, 2024 - $66,339). As a result, the Company is not subject to any significant liquidity risk.

*Interest rate risk*

The Company has no interest-bearing debt. The Company has not entered into any derivative instruments to manage interest rate fluctuations. The Company does not have significant interest rate risk.

## 12. CAPITAL MANAGEMENT

The Company's objective when managing capital is to safeguard its ability to continue as a going concern, so that it can continue to provide returns to shareholders and benefits for other stakeholders. The Company manages its capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. The capital of the Company includes all the accounts in the shareholders' equity.

The Company's objective is met by retaining adequate equity to provide for the possibility that cash flows from assets will not be sufficient to meet future cash flow requirements. The Board of Directors does not establish quantitative return on capital criteria for management. Currently, the Company is relying on private placements and advances from the directors and officers to continue its operations. The Company is not subject to any externally imposed capital requirements.

## 13. SUBSEQUENT EVENTS

On February 3, 2025, the Company achieved first revenue through multiple annual subscriptions to its cutting-edge aged care monitoring solution. This milestone marks a major step in the company's commercial growth and validates the increasing market demand for its technology.

On February 6, 2025, the Company announced its intention to rebrand as “Inturai Ventures Corp.”

On February 10, 2025, the Company received a second enterprise customer, a leading North American solutions provider serving leading Internet service providers (ISPs). This milestone reinforces the commercial momentum and demand for the Company's AI-(artificial intelligence)-driven spatial intelligence platform and its growing adoption opportunities.

**13. SUBSEQUENT EVENTS (continued)**

On February 10, 2025, $8,400 was returned to a subscriber for subscriptions received for shares were not issued.

On February 26, 2025, the Company announced a private placement to raise total gross proceeds of up to $750,000 by way of the issuance of up to 5,769,230 units at an issue price of 13 cents per unit, with up to a further $250,000 in excess capacity at the company's discretion.