



nDatalyze Corp.
Interim Condensed Consolidated Financial Statements
expressed in Canadian dollars

For the three months ended May 31, 2023
(unaudited)

NOTICE OF NO AUDITORS' REVIEW OF INTERIM FINANCIAL STATEMENTS

The accompanying unaudited interim condensed consolidated financial statements of nDatalyze Corp. 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.

Calgary, Alberta
July 24, 2023

nDatalyze Corp.
Interim Condensed Consolidated Statement of Financial Position
expressed in Canadian dollars
(unaudited)

As at

	May 31, 2023	February 28, 2023
Assets		(Audited)
Current		
Cash	\$ 673,362	\$ 742,739
Accounts receivable	62,342	70,698
Inventory (Note 5)	14,806	22,376
Prepaid expenses and deposits	4,179	4,179
	754,689	839,992
Non-current Assets		
Furniture and Equipment, net of accumulated amortization	634	802
Intangibles (Note 6)	23,080	21,213
Total assets	\$ 778,403	\$ 862,007
Liabilities		
Current		
Accounts payable and accruals (Note 12)	\$ 252,127	\$ 289,269
Total liabilities	252,127	289,269
Shareholders' Equity		
Share capital (Note 7)	\$ 2,451,048	\$ 2,451,048
Warrants (Note 8)	-	29,236
Contributed surplus	1,519,362	1,490,126
Deficit	(3,444,134)	(3,397,672)
Total shareholders' equity	526,276	572,738
	\$ 778,403	\$ 862,007

Going Concern (Note 2)

Approved on behalf of the Board of Directors

Jim Durward

Director

S. Price

Director

The accompanying notes are an integral part of these financial statements

nDatalyze Corp.
Interim Condensed Consolidated Statement of Loss
and Comprehensive Loss
expressed in Canadian dollars
For the year three months ended
(unaudited)

Revenues	May 31, 2023	May 31, 2022
Sales (Note 11)	\$ 13,540	\$ 62,725
Cost of Sales	6,549	32,737
Gross margin	\$ 6,991	\$ 29,988
Expenses		
Depreciation and amortization	\$ 475	\$ 552
Advertising and promotion	16,127	42,882
Warranty	83	538
Interest and bank charges	(124)	729
Contractors	6,667	15,250
Legal, audit, and professional	5,888	17,726
Travel, meals and entertainment	1,453	1,805
Research and development	19,439	123,619
Insurance	2,000	1,796
Investor relations	2,361	82,505
Office expenses	665	6,050
Accounting	2,000	1,800
Rent	2,100	2,100
Utilities	319	319
Total expenses	\$ 59,453	\$ 297,671
Other Income		
Foreign exchange gain (loss)	\$ 374	\$ -
Interest Income	5,626	1,717
Total other income	\$ 6,000	\$ 1,717
Net operating loss and comprehensive loss	\$ (46,462)	\$ (265,966)
Loss per share (basic and diluted)	\$ (0.00)	\$ (0.01)
Weighted average shares outstanding (basic and diluted)	38,712,425	38,551,425

The accompanying notes are an integral part of these financial statements

nDatalyze Corp.
Interim Condensed Consolidated Statement of Changes in Shareholders' Equity
expressed in Canadian dollars
For the three months ended May 31, 2023
(unaudited)

	Share Capital (\$)	Warrants (\$)	Contributed Surplus (\$)	Deficit (\$)	Shareholders' Equity (\$)
As at February 28, 2022	2,268,254	706,793	819,827	(2,165,569)	1,629,305
Units issued for cash	133,500	-	-	-	133,500
Fair value of warrants	(26,236)	26,236	-	-	-
Share issue costs	(12,365)	3,000	-	-	(9,365)
Warrants exercised	87,895	(36,492)	-	-	51,403
Warrants expired	-	(619,842)	619,842	-	-
Net loss	-	-	-	(265,966)	(265,966)
As at May 31, 2022	2,451,048	79,695	1,439,669	(2,431,535)	1,538,877
As at February 28, 2023	2,451,048	29,236	1,490,126	(3,397,672)	572,738
Warrants expired	-	(29,236)	29,236	-	-
Net loss	-	-	-	(46,462)	(46,462)
As at May 31, 2023	2,451,048	-	1,519,362	(3,444,134)	526,276

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nDatalyze Corp.
Interim Condensed Consolidated Statement of Cash Flows
expressed in Canadian dollars
For the three months ended
(unaudited)

Cash provided by (used in):

	May 31, 2023	May 31, 2022
Operating activities		
Net loss	\$ (46,462)	\$ (265,966)
Depreciation and amortization	475	552
Change in non-cash working capital (Note 12)	(21,217)	(70,219)
Cash flows used in operating activities	\$ (67,204)	\$ (335,633)
Investing activities		
Investing in intangibles	\$ (2,173)	-
Cash flows used in investing activities	(2,173)	-
Financing activities		
Issuance of common share and warrants, net of costs	-	124,135
Exercise of warrants	-	51,403
Cash flows from financing activities	-	175,538
Decrease in cash	(69,377)	(160,095)
Cash, beginning of period	742,739	1,595,385
Cash, end of period	\$ 673,362	\$ 1,435,290

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nDatalyze Corp.
Notes to the Interim Condensed
Consolidated Financial Statements
expressed in Canadian dollars
For the three months ended May 31, 2023
(unaudited)

1. Incorporation and operations

nDatalyze Corp. the "Company" was incorporated on January 24, 2018 by Certificate of Incorporation issued pursuant to the provisions of the Business Corporations Act (Alberta). On October 22, 2021 the Company changed its name to nDatalyze Corp.

The Company generates technologically-based solutions in diverse fields such as using pressurized CO₂ as a solvent, and applying machine learning to a proprietary records database to predict probable mental health conditions. The Company is publicly trading and listed on the Canadian Securities Exchange (CSE:NDAT) and the USOTC (NDATF).

On July 13, 2020, the Company incorporated a wholly-owned subsidiary 2273670 Alberta Ltd. for manufacturing alcohol-based extractors. The head office and registered office of the Company is located at Suite 1150, 707 – 7th Ave. SW Calgary, Alberta T2P 3H6.

2. Basis of preparation

Statement of compliance

These financial statements for the three months ended May 31, 2023 are unaudited and have been prepared in accordance with IAS 34 Interim Financial Reporting using accounting policies consistent with International Financial Reporting Standards ("IFRS"), as issued by the International Accounting Standards Board ("IASB") and interpretations issued by the International Financial Reporting Interpretations Committee ("IFRIC") in effect for the period beginning March 1, 2022. These interim condensed financial statements should be read in conjunction with the audited financial statements and the notes thereto for the year ending February 28, 2023.

These financial statements were authorized for issue in accordance with a resolution of the directors on July 24, 2023.

Going Concern

These financial statements have been prepared on a going concern basis, which assumes that the Company will continue to operate for the foreseeable future and will be able to realize its assets and discharge its liabilities in the normal course of business.

The Company for the three months ended May 31, 2023 incurred a net loss of \$46,462 (cumulative deficit of \$3,444,134) and used cash flow in operating activities of \$67,204. The Company has experienced declining revenues and its consumer mHealth application has not yet generated revenues.

As a result of these risks, there exists a material uncertainty that may cast significant doubt on the Company's ability to continue as a going concern.

The financial statements do not reflect adjustments that would be necessary if the going concern basis was not appropriate. Consequently, adjustments would then be necessary to the carrying value of assets and liabilities, the reported revenues and expenses and their classifications. Such adjustments, if required, could be material.

Basis of measurement

These financial statements are stated in Canadian dollars which is the Company's functional currency and are prepared on a going concern basis, under the historical cost convention.

Use of estimates and judgments

The preparation of financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Although these estimates are based on management's best knowledge of the amount, event or actions, actual results ultimately may differ from those estimates. Areas where estimates are significant to the financial statements are disclosed in Note 4.

Basis of consolidation

These consolidated financial statements include the financial statements of nDatalyze Corp. and its wholly-owned subsidiary, 2273670 Alberta Ltd., a company incorporated in Alberta on July 13, 2020. Control is achieved when the Company has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. The results of the subsidiary incorporated during the year are included in the consolidated statements of income and comprehensive income from the date of incorporation. All intercompany transactions, balances, income and expenses are eliminated through the consolidation process. The accounts of the subsidiary are prepared for the same reporting period as the parent company, using consistent accounting policies.

3. Significant accounting policies

Accounting policies as described in the audited financial statements and the notes thereto for the year ended February 28, 2023.

4. Significant accounting estimates and judgements

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

Estimates

The key sources of estimation uncertainty that have a significant risk of causing material adjustment to the amounts recognized in the financial statements are:

Fair value of financial instruments

The estimated fair value of financial assets and liabilities, by their very nature, are subject to measurement uncertainty.

Taxes

Provisions for taxes are made using the best estimate of the amount expected to be paid based on a qualitative assessment of all relevant factors. The Company reviews the adequacy of these provisions at the end of the reporting period. However, it is possible that at some future date an additional liability could result from audits by taxing authorities. Where the final outcome of these tax-related matters is different from the amounts that were initially recorded, such differences will affect the tax provisions in the period in which such determination is made.

Share based payment transactions

The Company measures the cost of equity-settled share-based transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. Estimating fair value for share-based payment transactions requires determining the most appropriate valuation model, which is dependent on the terms and conditions of the grant. This estimate also requires determining the most appropriate inputs to the valuation model

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including the expected life of the share option, volatility, forfeiture rate, risk-free rate and dividend yield and making assumptions about them.

Judgements

The key areas of judgment which have been made in the process of applying the Company's accounting policies:

Impairment of non-financial assets

The determination of whether indicators of impairment exist and the aggregation of assets into cash-generating units ("CGU's") based on their ability to generate independent cash flows are subject to management's judgment. The recoverable amounts used for impairment calculations require estimates of future cash flows related to the assets or CGU's and estimates of discount rates applied to these cash flows.

Taxes

The Company recognizes deferred tax assets to the extent that it is probable that future taxable profits will be available to utilize the Company's deductible temporary differences which are based on management's judgement on the degree of future taxable profits. To the extent that future taxable profits differ significantly from the estimates impacts the amount of the deferred tax assets management judges is probable.

Financial instruments

The Company is required to classify its various financial instruments into certain categories for the financial instruments' initial and subsequent measurement. This classification is based on management's judgement as to the purpose of the financial instrument and to which category is most applicable.

5. Inventory

Inventory consists of:	May 31, 2023	February 28, 2023
Raw Material	\$ 13,679	\$ 21,043
Sub Assembly	1,127	1,333
Total	\$ 14,806	\$ 22,376

During the three months ended May 31, 2023, the Company expensed \$7,570 (May 31, 2022 - \$20,962) of inventory which is included in cost of sales.

Intangibles assets

	May 31, 2023	February 28, 2023
Intangible assets, cost	25,832	23,658
Accumulated amortization	(2,752)	(2,445)
Intangible assets, net of accumulated amortization	\$ 23,080	\$ 21,213

On February 22, 2018, the Company acquired intangible assets including Canadian and US patents, URL website address, and all intellectual rights relating to the cannabis oil extraction technology.

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6. Share capital

Authorized:

- Unlimited number of voting Common Shares without par value
- Unlimited number of non-voting Preferred shares issuable in series without par value

Issued: Common Shares

	Number of Shares	\$
As at February 28, 2023 and May 31, 2023	38,712,425	2,451,048

7. Warrants

Warrants	Number of warrants outstanding	Value	Average Exercise price	Weighted average life (in years)
As at February 28, 2023	571,380	\$ 29,236	\$0.34	0.06
Warrants expired unexercised	(571,380)	(29,236)	\$0.34	
As at May 31, 2023	-	\$ -	-	

534,000 warrants with an exercise price of \$0.35 expired unexercised and 37,380 finders fees warrants with an exercise price of \$0.25 expired unexercised.

8. Capital disclosures

The Company's capital consists of share capital.

The Company sets the amount of capital in relation to risk and manages the capital structure and makes adjustments to it in light of changes to economic conditions and the risk characteristics of the underlying assets.

The Company's objectives when managing capital are:

- i. to maintain a flexible capital structure, which optimizes the cost of capital at acceptable risk; and,
- ii. to maintain investor, creditor and market confidence in order to sustain the future development of the business.

The Company is not subject to any externally or internally imposed capital requirements at period-end.

9. Financial instruments

The Company, as part of its operations, carries financial instruments consisting of cash, accounts receivable, and accounts payable and accruals. It is management's opinion that the Company is not exposed to significant credit, interest, or currency risks arising from these financial instruments except as otherwise disclosed.

Fair value

Fair value represents the price at which a financial instrument could be exchanged in an orderly market, in an

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arm's length transaction between knowledgeable and willing parties who are under no compulsion to act. The Company classifies the fair value of the financial instruments according to the following hierarchy based on the amount of observable inputs used to value the instrument.

- Level 1: Fair value measurements are those derived from quoted prices (unadjusted) in the active market for identical assets or liabilities.
- Level 2: Fair value measurements are those derived from inputs other than quoted prices that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (derived from prices).
- Level 3: Fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data.

The fair value of cash is determined on level 1 inputs. The carrying amount of cash, accounts receivable, and account payable and accruals approximates its fair value due to the short-term maturities of these items.

Credit Risk

Credit risk is the risk of loss associated with the counterparty's inability to fulfill its payment obligations. The Company believes it has no significant credit risk.

Liquidity Risk

The Company's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when due.

Market Risk

Market risk is the risk of loss that may arise from changes in market factors such as interest rates, foreign exchange rates, and commodity and equity prices.

i. Interest rate risk

The Company has cash balances and no interest-bearing debt.

ii. Foreign currency risk

As at May 31, 2023, the Company had \$14,733 in cash denominated in US Dollars foreign currency.

iii. Commodity risk

The Company is not exposed to commodity price risk.

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10. Stock Option Plan

The Company has a stock option plan for its officers, directors, employees and consultants. The maximum number of common shares issuable under the Plan cannot exceed 10% of the Company's issued and outstanding common shares.

Stock Options	Number of options outstanding and exercisable	Weighted average exercise price	Weighted average life (in years)
As at February 28, 2023	3,150,000	\$0.25	3.00
Stock options cancelled	(2,650,000)	\$0.27	
As at May 31, 2023	500,000	\$0.14	1.17

On April 27, 2023, 2,650,000 common share purchase options to directors, officers and consultants of the Corporation exercisable at a price of \$0.27 per share, with a expiration date of February 26, 2026 were cancelled.

11. Segmented Information

Revenues to International customers were \$5,426 for the three months ended May 31, 2023 (May 31, 2022 - \$48,327).

12. Changes in non-cash working capital and disputed accounts payable

	Three months ended	
	May 31, 2023	May 31, 2022
Accounts receivable	\$ 8,356	\$ (8,580)
Inventory	7,570	(16,460)
Prepaid expenses and deposits	-	3,589
Accounts payable and accruals	(37,143)	(48,768)
Changes in non-cash working capital	\$ (21,217)	\$ (70,219)

The Company has terminated its service agreement with a significant vendor and disputed \$217,739 in unpaid invoices which was included in accounts payables and accruals as at February 28, 2023. The final outcome of this dispute has not yet been determined. The Company will record the outcome of the dispute in the period in which it occurs.