



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

*For the six months ended August 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  
October 16, 2023

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

As at

	August 31, 2023	February 28, 2023
<b>Assets</b>		<b>(Audited)</b>
<b>Current</b>		
Cash	\$ 616,844	\$ 742,739
Accounts receivable	54,993	70,698
Inventory (Note 5)	245	22,376
Prepaid expenses and deposits	4,179	4,179
	<b>676,261</b>	<b>839,992</b>
<b>Non-current Assets</b>		
Furniture and Equipment, net of accumulated amortization	468	802
Intangibles (Note 6)	23,204	21,213
<b>Total assets</b>	<b>\$ 699,933</b>	<b>\$ 862,007</b>
<b>Liabilities</b>		
<b>Current</b>		
Accounts payable and accruals (Note 13)	\$ 17,511	\$ 289,269
<b>Total liabilities</b>	<b>17,511</b>	<b>289,269</b>
<b>Shareholders' Equity</b>		
Share capital (Note 7)	\$ 2,451,048	\$ 2,451,048
Warrants (Note 8)	-	29,236
Contributed surplus	1,519,362	1,490,126
Deficit	(3,287,988)	(3,397,672)
<b>Total shareholders' equity</b>	<b>682,422</b>	<b>572,738</b>
	<b>\$ 699,933</b>	<b>\$ 862,007</b>

**Going Concern (Note 2)**  
**Contingencies (Note 13)**  
**Subsequent event (Note 14)**

**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 Income (Loss)**  
**and Comprehensive Income (Loss)**  
**expressed in Canadian dollars**

*For the three and six months ended  
(unaudited)*

	Three months ending	Three months ending	Six months ending	Six months ending
	August 31, 2023	August 31, 2022	August 31, 2023	August 31, 2022
<b>Revenues</b>				
Sales (Note 11)	\$ 37,283	\$ 34,294	\$ 50,823	\$ 97,019
Cost of Sales	19,595	21,480	26,144	54,217
<b>Gross margin</b>	<b>\$ 17,688</b>	<b>\$ 12,814</b>	<b>\$ 24,679</b>	<b>\$ 42,802</b>
<b>Expenses</b>				
Depreciation and amortization	\$ 492	\$ 671	\$ 967	\$ 1,134
Advertising and promotion (note 13)	(201,831)	52,397	(185,704)	95,279
Warranty	-	434	83	972
Interest and bank charges	95	784	(29)	1,513
Contractors	3,100	10,750	9,767	26,000
Legal, audit, and professional	24,581	9,755	30,469	27,481
Travel, meals and entertainment	6,505	8,457	7,958	10,262
Research and development	23,975	84,926	43,414	208,545
Insurance	(2,000)	1,784	-	3,580
Investor relations	6,046	86,404	8,407	168,909
Office expenses	721	911	1,386	6,961
Accounting	3,000	2,200	5,000	4,000
Rent	2,100	2,100	4,200	4,200
Utilities	287	186	606	505
<b>Total expenses</b>	<b>\$ (132,929)</b>	<b>\$ 261,759</b>	<b>\$ (73,476)</b>	<b>\$ 559,341</b>
<b>Other Income</b>				
Foreign exchange gain (loss)	\$ 59	\$ 231	\$ 433	\$ 231
Interest Income	5,470	4,015	11,096	5,732
<b>Total other income</b>	<b>\$ 5,529</b>	<b>\$ 4,246</b>	<b>\$ 11,529</b>	<b>\$ 5,963</b>
<b>Net operating income (loss) and comprehensive income (loss)</b>	<b>\$ 156,146</b>	<b>\$ (244,699)</b>	<b>\$ 109,684</b>	<b>\$ (510,576)</b>
<b>Income (Loss) per share (basic and diluted)</b>	<b>\$ (0.00)</b>	<b>\$ (0.01)</b>	<b>\$ (0.00)</b>	<b>\$ (0.01)</b>
<b>Weighted average shares outstanding (basic and diluted)</b>	<b>38,712,425</b>	<b>38,712,425</b>	<b>38,712,425</b>	<b>38,551,425</b>

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 six months ended August 31, 2023  
(unaudited)

	Share Capital (\$)	Warrants (\$)	Contributed Surplus (\$)	Deficit (\$)	Shareholders' Equity (\$)
<b>As at February 28, 2022</b>	<b>2,268,254</b>	<b>706,793</b>	<b>819,827</b>	<b>(2,165,569)</b>	<b>1,629,305</b>
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	-	-	-	(510,576)	(510,576)
<b>As at August 31, 2022</b>	<b>2,451,048</b>	<b>79,695</b>	<b>1,439,669</b>	<b>(2,676,145)</b>	<b>1,294,267</b>
<b>As at February 28, 2023</b>	<b>2,451,048</b>	<b>29,236</b>	<b>1,490,126</b>	<b>(3,397,672)</b>	<b>572,738</b>
Warrants expired	-	(29,236)	29,236	-	-
Net income	-	-	-	109,684	109,684
<b>As at May 31, 2023</b>	<b>2,451,048</b>	<b>-</b>	<b>1,519,362</b>	<b>(3,287,988)</b>	<b>682,422</b>

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

**Cash provided by (used in):**

	<b>August 31, 2023</b>	<b>August 31, 2022</b>
<b>Operating activities</b>		
Net income (loss)	\$ 109,684	\$ (510,576)
Depreciation and amortization	967	1,134
Change in non-cash working capital (Note 12)	<b>(233,923)</b>	<b>(87,562)</b>
<b>Cash flows used in operating activities</b>	<b>\$ (123,272)</b>	<b>\$ (597,004)</b>
<b>Investing activities</b>		
Investing in intangibles	\$ (2,623)	\$ (3,486)
<b>Cash flows used in investing activities</b>	<b>(2,623)</b>	<b>(3,486)</b>
<b>Financing activities</b>		
Issuance of common share and warrants, net of costs	-	124,135
Exercise of warrants	-	51,403
<b>Cash flows from financing activities</b>	<b>-</b>	<b>175,538</b>
Decrease in cash	<b>(125,895)</b>	<b>(424,952)</b>
<b>Cash, beginning of period</b>	<b>742,739</b>	<b>1,595,385</b>
<b>Cash, end of period</b>	<b>\$ 616,844</b>	<b>\$ 1,170,433</b>

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

**nDatalyze Corp.**  
**Notes to the Interim Condensed**  
**Consolidated Financial Statements**  
**expressed in Canadian dollars**  
*For the six months ended August 31, 2023*  
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**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 CO<sub>2</sub> 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 six months ended August 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 October 16, 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 has cumulative deficit of \$3,287,988 and used cash flow in operating activities for the six months ended August 31, 2023 of \$123,272. 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:	<b>August 31, 2023</b>	<b>February 28, 2023</b>
Raw Material	\$ -	\$ 21,043
Sub Assembly	245	1,333
<b>Total</b>	<b>\$ 245</b>	<b>\$ 22,376</b>

During the six months ended August 31, 2023, the Company expensed \$22,131 (August 31, 2022 - \$20,962) of inventory which is included in cost of sales.

**Intangibles assets**

	<b>August 31, 2023</b>	<b>February 28, 2023</b>
Intangible assets, cost	26,282	23,658
Accumulated amortization	(3,078)	(2,445)
<b>Intangible assets, net of accumulated amortization</b>	<b>\$ 23,204</b>	<b>\$ 21,213</b>

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 August 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 August 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 August 31, 2023, the Company had \$4,711 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)
<b>As at February 28, 2023</b>	<b>3,150,000</b>	<b>\$0.25</b>	<b>3.00</b>
Stock options cancelled	<b>(2,650,000)</b>	<b>\$0.27</b>	
<b>As at August 31, 2023</b>	<b>500,000</b>	<b>\$0.14</b>	<b>2.15</b>

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 \$29,774 for the six months ended August 31, 2023 (August 31, 2022 - \$62,157).

**12. Changes in non-cash working capital**

	Six months ended August 31, 2023	Six months ending August 31, 2022
Accounts receivable	\$ 15,705	\$ (15,327)
Inventory	22,128	(7,042)
Prepaid expenses and deposits	-	6,187
Accounts payable and accruals (note 13)	(271,756)	(71,380)
Changes in non-cash working capital	\$ (233,923)	\$ (87,562)

**13. Contingencies**

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. As at August 31, 2023 the Company estimates amounts payable as nil and has recorded a \$217,739 recovery of advertising and promotion expenses in the quarter ended August 31, 2023.

**14. Subsequent Event**

On September 25, 2023, 3,150,000 common share purchase options were granted to directors, officers and consultants of the Corporation exercisable at a price of \$0.08 per share, with a expiration date of September 25, 2025 and vest immediately.