



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

For the nine months ended November 30, 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
January 10, 2024

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

As at

	November 30, 2023	February 28, 2023
Assets		(Audited)
Current		
Cash	\$ 921,385	\$ 742,739
Accounts receivable	16,557	70,698
Inventory (Note 5)	630	22,376
Prepaid expenses and deposits	4,179	4,179
	942,751	839,992
Non-current Assets		
Furniture and Equipment, net of accumulated amortization	3,116	802
Intangibles (Note 6)	22,876	21,213
Total assets	\$ 968,743	\$ 862,007
Liabilities		
Current		
Accounts payable and accruals (Note 16)	\$ 27,405	\$ 289,269
Total liabilities	27,405	289,269
Shareholders' Equity		
Share capital (Note 7)	\$ 2,692,670	\$ 2,451,048
Warrants (Note 8)	31,378	29,236
Contributed surplus	1,668,871	1,490,126
Deficit	(3,451,581)	(3,397,672)
Total shareholders' equity	941,338	572,738
	\$ 968,743	\$ 862,007

Going Concern (Note 2)
Contingencies (Note 16)

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 nine months ended (unaudited)

	Three months ending	Three months ending	Nine months ending	Nine months ending
	November 30, 2023	November 30, 2022	November 30, 2023	November 30, 2022
Revenues				
Sales (Note 11)	\$ 38,034	\$ 37,510	\$ 88,857	\$ 134,529
Cost of Sales	836	17,825	26,980	72,042
Gross margin	\$ 37,198	\$ 19,685	\$ 61,877	\$ 62,487
Expenses				
Depreciation and amortization	\$ 631	\$ 598	\$ 1,598	\$ 1,732
Inventory impairment (Note 5)	-	40,000	-	40,000
Advertising and promotion (note 16)	18,458	82,367	(167,246)	177,646
Warranty	-	-	83	972
Interest and bank charges	333	372	304	1,885
Contractors	18,000	21,870	27,767	47,870
Legal, audit, and professional	27,371	11,860	57,840	39,341
Travel, meals and entertainment	1,746	2,061	9,704	12,323
Research and development	40,099	16,466	83,513	225,011
Research and development tax credit (Note 13)	(96,003)	-	(96,003)	-
Insurance	-	1,784	-	5,366
Investor relations	45,515	68,370	53,922	236,915
Office expenses	546	674	1,932	7,633
Accounting	1,000	3,000	6,000	7,000
Rent	830	2,100	5,030	6,300
Utilities	96	262	702	767
Stock base compensation (Note 11, 15)	149,509	-	149,509	-
Total expenses	\$ 208,131	\$ 251,784	\$ 134,655	\$ 810,761
Other Income				
Foreign exchange gain (loss)	\$ -	\$ -	\$ 433	\$ 231
Interest Income	7,340	6,022	18,436	11,754
Total other income	\$ 7,340	\$ 6,022	\$ 18,869	\$ 11,985
Net operating income (loss) and comprehensive income (loss)	\$ 163,593	\$ (226,077)	\$ (53,909)	\$ (736,289)
Income (Loss) per share (basic and diluted)	\$ (0.00)	\$ (0.01)	\$ (0.00)	\$ (0.02)
Weighted average shares outstanding (basic and diluted)	39,240,849	38,712,425	38,889,207	38,658,563

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nDatalyze Corp.
Interim Condensed Consolidated Statement of Changes in Shareholders' Equity
expressed in Canadian dollars
For the nine months ended November 30, 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	-	-	-
Warrants exercised	87,895	(36,492)	-	-	51,403
Warrants expired	-	(619,842)	619,842	-	-
Share issue costs	(12,365)	3,000	-	-	(9,365)
Net loss	-	-	-	(736,289)	(736,289)
As at November 30, 2022	2,451,048	79,695	1,439,669	(2,901,858)	1,068,554
As at February 28, 2023	2,451,048	29,236	1,490,126	(3,397,672)	572,738
Share issuances	277,800	-	-	-	277,800
Share issue costs	(5,848)	1,048	-	-	(4,800)
Warrants expired	-	(29,236)	29,236	-	-
Fair value of warrants	(30,330)	30,330	-	-	-
Share based compensation	-	-	149,509	-	149,509
Net income	-	-	-	(53,909)	(53,909)
As at November 30, 2023	2,692,670	31,378	1,668,871	(3,451,581)	941,338

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

Cash provided by (used in):

	November 30, 2023	November 30, 2022
Operating activities		
Net loss	\$ (53,909)	\$ (736,289)
Depreciation and amortization	1,598	1,732
Stock based compensation (Note 11)	149,509	-
Change in non-cash working capital (Note 14)	(185,978)	(50,678)
Cash flows used in operating activities	\$ (88,780)	\$ (785,235)
Investing activities		
Purchase of furniture and equipment	\$ (2,951)	\$ -
Investing in intangibles	(2,623)	(4,396)
Cash flows used in investing activities	\$ (5,574)	\$ (4,396)
Financing activities		
Issuance of common share and warrants, net of costs (Note 7)	273,000	175,538
	273,000	175,538
Increase (decrease) in cash	178,646	(614,093)
Cash, beginning of period	742,739	1,595,385
Cash, end of period	\$ 921,385	\$ 981,292

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nDatalyze Corp.
Notes to the Interim Condensed
Consolidated Financial Statements
expressed in Canadian dollars
For the nine months ended November 30, 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 nine months ended November 30, 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 January 10, 2024.

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 \$3,451,581 and used cash flow in operating activities for the nine months ended November 30, 2023 of \$88,780. 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:	November 30, 2023	February 28, 2023
Raw Material	\$ -	\$ 21,043
Sub Assembly	630	1,333
Total	\$ 630	\$ 22,376

During the nine months ended November 30, 2023, the Company expensed \$30,588 (November 30, 2022 - \$46,471) of inventory which is included in cost of sales. There was an inventory recovery of previously written down inventory for \$11,803 during the first nine months ended November 30, 2023.

6. Intangibles assets

	November 30, 2023	February 28, 2023
Intangible assets, cost	26,282	23,658
Accumulated amortization	(3,406)	(2,445)
Intangible assets, net of accumulated amortization	\$ 22,876	\$ 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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7. 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	38,712,425	2,451,048
Common shares issued i)	2,315,000	245,622
Finder fees	-	(4,800)
As at November 30, 2023	41,027,425	2,692,670

i) A private placement of 2,315,000 units was completed on November 9, 2023, at a price of \$0.12 per unit for gross proceeds of \$277,800. Each unit consists of one common share and one-half common share purchase warrant entitling the holder to acquire one common share at a price of \$0.25 per common share for a period of 18 months, subject to the accelerated expiry provision. The Company paid eligible finders aggregate cash finders fees of \$4,800 and issued 40,000 finders warrants to purchase common shares of the Company at a price of \$0.25 per common share for a period of 18 months with a value of \$1,048 (Note 8).

8. 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 (i)	(571,380)	(29,236)	\$0.34	
Warrants issued (ii)	1,197,500	31,378	\$0.25	1.50
As at November 30, 2023	1,197,500	\$ 31,378	\$0.25	1.44

i) 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.

ii) On November 9, 2023, 1,157,500 common purchase warrant issued with each warrant entitling the holder thereof to acquire one Common Share of the Corporation at a price of \$0.25 per Common Share for 18 months, subject to acceleration in certain circumstances described in the Subscription Agreements. 40,000 finder options exercisable for a period of 18 months from the closing date of the Private Placement to acquire Common Shares at a price of \$0.25 per Common Share were issued.

9. 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.

10. 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 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.

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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 November 30, 2023, the Company had \$1,823 in cash denominated in US Dollars foreign currency.

iii. Commodity risk

The Company is not exposed to commodity price risk.

11. 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	
Stock options issued	3,150,000	\$0.08	
As at November 30, 2023	3,650,000	\$0.08	1.85

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.

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 vested immediately. The fair value of \$149,509 for the 3,150,000 stock options granted of \$0.05 per option was calculated at the grant date using the Black-Scholes option pricing model. The assumptions for this calculation were a risk free interest rate of 4.9%, expected life of 2 years and historical volatility was used for calculation of expected volatility of 112%.)

12. Segmented Information

Revenues to International customers were \$29,774 for the nine months ended November 30, 2023 (November 30, 2022 - \$95,445).

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13. Income taxes

The Company received \$96,003 for Scientific Research and Experimental Development (SR&ED) tax credits from the Province of Alberta for the tax year ended December 31, 2021. The Company has filed its 2022 tax return including \$40,831 in SR&ED tax credits and it has not yet been assessed by CRA or Alberta Finance.

14. Changes in non-cash working capital

	Nine months ended November 30, 2023	Nine months ending November 30, 2022
Accounts receivable	\$ 54,141	\$ (23,069)
Inventory	21,746	37,557
Prepaid expenses and deposits	-	3,793
Accounts payable and accruals (note 13)	(261,865)	(68,960)
Changes in non-cash working capital	\$ (185,978)	\$ (50,679)

15. Related Party Transactions

Key management personnel

The Company has determined that the key management personnel of the Company consists of its officers and directors. The following table provides information on compensation expense related to officers and directors.

	Nine Months ended November 30, 2023	Year ended February 28, 2023
Wages, consulting fees and benefits	36,998	\$ 57,185
Share based compensation	116,285	-
Total	153,282	\$ 57,185

16. 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 November 30, 2023 the Company estimates amounts payable as nil and has recorded a \$217,739 recovery of advertising and promotion expenses in the nine months ended November 30, 2023.